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Chapter-1
Recruitment- A Conceptual and Theoretical Framework

Introduction

In any form of organization Human Resource Management (IIRM) plays a pivotal role in the success especially in highly professionalized contemporary era of globalization. HRM which comprises of a set of managerial activities like recruitment, selection, training, motivation and development of employees, satisfies personnel and organizational needs, goals and objectives. A good quality human resource with high skill, knowledge and abilities are recognized as a valuable asset of the organization that can help in gaining a competitive advantage over their challengers.

Companies know that they must recruit the best talent in order to achieve the best results and maintain the best chance for commercial success. Recruitment forms a core part of the central activities underlying HRM and is one of the fastest growing sectors in global business that are providing multitude of opportunities for ambitious and determined individuals.

The complexity of the human resource planning process varies with the size of the organization and 'the perception and status of the human resource function' within the organization. It has become an important part of overall strategic planning in different types of organization. Finding the right person to recruit is an intricate task and an erroneous judgment in relation to recruitment can cause a failure of the whole system. Recruitment as a planned rational activity comprise of certain sequentially-linked phases within a process of employee resourcing, which itself may be located within a wider HR management strategy.

In addition, by using four dimensions of human resource practices, including staffing, training, performance appraisal, and compensation, Younul et al. (1996) indicate that an HR practices system is directly related to multiple dimensions of operational performance. Also, subsequent analysis reveals that manufacturing strategies moderate this main effect. In terms of financial performance, Delery and Doty (1996), drawing on three dominant modes of theorizing, identify seven key
“strategic human resource practices”, including career ladders, training, results-oriented appraisal, compensation, employment security, employee voice, and broadly defined jobs, and use them to develop theoretical arguments consistent with each of the three perspectives. The results demonstrate that each perspective can be used to structure theoretical arguments that explain significant levels of variation in financial performance. Mendelson and Pillai (1999) examine the impacts of the characteristics of “information age organization” and indicate that the relationship between these characteristics, including decentralization and incentives, information practices, and internal focus and inter-organizational networks, and business performance is stronger in industry segments that are more dynamic.

In addition, Collins and Clark (2003) explore the black box between “strategic human resource practices”, which include training, performance assessment, rewards, and firm performance from a field study with 73 high-tech firms. The results show those top managers’ social networks mediate the relationship. Though prior research has paid attentions to the impacts of HR practices on organizational outcomes, few studies explore the impact of HR practices on knowledge management and on innovation performance. By taking an organizational learning perspective, Currie and Kerrin (2003) used case study approach to explore the influence of “strategic human resource practices”, including performance management, recruitment and selection, employee interaction, and career development, on enhancing knowledge sharing within a company. They suggest that HR practices can improve knowledge sharing in the firm with a functionally based organizational structure and culture.

In investigating the effects of “new human resource management practices” on innovation performance of firms in different sectors, Laursen and Foss (2003) categorize nine HRM variables, including interdisciplinary workgroups, quality circles, collection systems of employee proposals, planned job rotation, delegation of responsibility, integration of functions, performance-related pay, firm internal training, and firm external training, into two HRM systems. Their findings indicate that the innovation performance of four manufacturing sectors correlates with the first system while that of wholesale and ICT sectors is associated with the second system. This prior research term HR practices differently, such as strategic human resource practices, innovative work or human resource practices, new human resource practices, and characteristics of information age organizations.
In addition, the measurement of HR practices is in different ways in these prior studies for coping with their research purposes. This study purposely focuses on examining HR practices in BHEL and NTPC. This study considers those measures in the prior studies using the concepts of strategic and innovative HR practices as they are more germane to the arguments of the relationships involving HR practices, knowledge management, and innovation. Accordingly, this study adopts Six dimensions, including, role of the human resource department, recruitment policies, selection, advertising, short listing and job satisfaction in the construct of strategic human resource practices.

Human Resource Management refers to the management of human resource in the work organizations. It is an organization concerned with the procurement, motivation and development of human resources and maintaining harmonious relationship between the employer and the employees. It ensures a dynamic and controlled workforce for the successful achievement of missions and objectives in today’s competitive business environment.

The Human Resource Management function includes a variety of activities, and key among them are deciding what staffing needs you have and whether to use independent contractors or hire employees to fill these needs, recruiting and training the best employees, ensuring they are high performers, dealing with performance issues, and ensuring your personnel and management practices conform to various regulations. Activities also include managing your approach to employee benefits and compensation, employee records and personnel policies (http://www.training8m.com).

HRM practices include recruitment and selection, training and development, pay and benefit practices and current HRM issues and trends. The HRM practices of both large and small firms helps in comprehending a more holistic view of people management in specific cultural and economic contents. A best practice in HRM has invoked a great deal of interest among HR professionals. Companies that are currently under-performing in the HR area can learn and adopt some of the best practices from organizations that have acquired some mastery over the good practices in Human Resource. In the era of liberalization, the competitive scenario in the business environment has changed a lot. Consequently, Human Resource Practices have also
changed phenomenally. The performance of the employees determines the failure or the success of an organization.

The management of Human Resources has now assumed strategic importance in the achievement of organizational growth and excellence. As globalization advances and we move into the information age, organizations need to adapt to the changes in technology and the changing issues in management of people.

Some critical issues have clearly emerged - planning, acquisition and development of human resources, responding to the demands of the work place and, above all, evolving a strategy of dealing with industrial conflict. As a management practice, it covers all the conventional areas of personnel management and industrial relations, as well as the relatively new areas such as communication, counseling, training and development, and job enrichment. An attempt has been made in this study to point out the experiences on the emerging issues in managing human resources. Likewise, a multi-dimensional recruitment strategy based on community center buy-in and support was successful and efficient (Keosaian et al., 2012).

Aspects of HRM

- Human Resource Planning
- Recruitment
- Selection
- Placement
- Inductions
- Transfer & Planning
- Job Analysis
- Performance Appraisal
- HR Audit
- Total Quality Management
- Quality of Working Environment
HRM in the Present Scenario

- Low motivation or mounting frustration
- Promotions are consolations for transfers
- Cadre conflict
- Reward and punishment system
- Development of strong training system
- Career Development

Recruitment- An Introduction

Recruitment means to estimate the available vacancies and to make suitable arrangements for their selection and appointment. Recruitment is understood as the process of searching for and obtaining applicants for the jobs, from among whom the

It is the process of finding and attracting capable applicants for the employment. The process begins when new recruits are sought and ends when their applicants are submitted. The result is a pool of applicants from which new employees are selected. In this the available vacancies are given wide publicity and suitable candidates are encouraged to submit applications so as to have a pool of eligible candidates for scientific selection.

The recruitment practices have changed over the years. Internal source of recruitment means looking for suitable candidates from among the current employees in an organization. Job postings, Succession Planning, Employee Referrals, and Hiring Employees, Advertising, Employment Exchanges, Private Consultants, Temporary agencies, Alternative staffing, Executive recruiters or headhunters, Campus recruiting, Internet recruiting are some of the external sources of recruitment.

Human Resources share this commitment and work with the hiring supervisor to facilitate an efficient and effective process. With a pool of applicants, the next step is to select the best candidates for the job. This usually means whittling down the applicant pool by using the screening tools such as tests, assessment centers and
background & reference checks. The purpose of Selection process is to determine whether a candidate is suitable for employment in the organization or not. It becomes all the more important to scrutinize applications properly so that those who are found unsuitable at first instance should not be called for tests or interviews. This will save time and money of the enterprise as well as the candidates. Selection is this the process of choosing candidates for employment.

In recruitment, information is collected from interested candidates both through primary and secondary source. For this different source such as newspaper advertisement, employment exchanges, internal promotion, etc. are used. In the recruitment, a pool of eligible and interested candidates is created for selection of most suitable candidates. Recruitment represents the first contact that a company makes with potential employees (http://www.mbaknol.com).

**Employer's Search: A Simple Theoretical Framework**

This section formalizes in a simple model the very initiative idea that employers find it optimal to invest more in recruitment activities when hiring for highly productivity jobs. The starting point is a simple matching model in which firms with unfilled vacancies and workers need a job or want to change job look for each other. The presence of frictions in the labour market prevents them from meeting instantaneously and leads to positive rents associated with formed matches. For simplicity and clarity, the model is developed in partial equilibrium and formalised in discrete time.

The first departure from the standard matching model consists in the introduction of heterogeneity in the market, a crucial ingredient to make recruitment play a meaningful role. Jobs differ along observable and unobservable (to the worker) characteristics. Observationally, jobs differ in the tasks they involve, i.e. the occupational group: managers, secretaries, salesmen, assembly workers, etc. These occupations differ in their level of productivity, higher for managers, lower for assembly workers. Within each of these occupations, jobs differ along some characteristics that are unobservable to the jobseekers, i.e. the work environment, the specific organisation of work within the firm, the importance of skills like leadership and motivation, etc. Workers also differ along both observable and unobservable (to
the firm) characteristics. Their observables allow employers to identify potential candidates for each occupational category but their unobservable determine whether they will match with the unobservable characteristics of the job. Thus, observationally identical workers could be either suitable or unsuitable for the specific job offered. Let us make the simplifying assumption that a job filled with a suitable worker is productive, i.e. produces, but it becomes totally unproductive with an unsuitable worker. The type of the match, productive or unproductive, is unknown to both the worker and the firm until production takes place and output can be observed (Pellizzari, 2005).

Also prolonged or inefficient recruitment can have adverse scientific, economic and ethical consequence. Failure to achieve the target sample size can lead to a reduction in the statistical power of a study. An underpowered study may report clinically important effects to be statistically non-significant and result in delay or non-implementation of a clinically effective intervention and delay in identification of non-effective interventions. Prolonged recruitment results in increased time or cost extensions and may result in premature termination of trials. Studies that terminate prematurely or fail to reach adequate statistical power raise ‘ethical’ concerns as realists have exposed the participants to an intervention with uncertain benefit and may still be unable to determine whether the intervention does more harm than good at trial completion (Kaur et al., 2012).

**Trends in Recruitment**

Recruitment is increasingly becoming a two-way process, as a result of both employers and employees having higher expectations from one another. The first trend is using the resume database for recruitment; the other trend gaining prominence is the recruitment of key personnel from competitors, which is called "poaching". Therefore, the global developments in management reveal the strategic IIRM is becoming the single largest area of management consultancy, which speaks of its criticality in business success. It should be understood that IIRM strategy is not just interventions oriented at employee’s welfare and empowerment. It also has aspects of cost control and interface discipline
The Human Resource department played a key role in facilitating performance culture. It was decided that the performance appraisal system for the employees should be kept simple. The greatest challenge of Human Resource professionals is meeting their customer expectation and adding value to the business. The best utilization of people processes and technology ensures high quality of Human Resource source at under cost, on time and thus ensuing customer satisfaction. The Human Resource manager has the task of being on a constant look-out for the right choice of employees, fine-tuning the job mix and compensation package to benefit the individual and the organization, devising a flat organization structure and organizing training programmes for continuing the education at different levels in the organization (Pirakatheeswari, 2009).

Recruitment Process

The stages of the recruitment process include: job analysis and developing a person specification; the sourcing of candidates by networking, advertising, or other search methods; matching candidates to job requirements and screening individuals using testing (skills or personality assessment); assessment of candidates' motivations and their fit with organizational requirements by interviewing and other assessment techniques.

Depending on the size and culture of the organization recruitment may be undertaken in-house by managers, human resource generalists and or recruitment specialists. Alternatively parts of all of the process might be undertaken by either public sector employment agencies, or commercial recruitment agencies, or specialist search consultancies (http://en.wikipedia.org). The following figure outlines the important steps involved in the recruitment process. These steps are briefly described in the following chart:

1. Form Selection Committee

Selection committees generally consist of a minimum of two members but not more than four persons, including the chairperson. Members of a selection committee should be chosen on the basis of their objectivity, professionalism and ability to exercise good judgment in selecting the most suitable person for the job vacancy.
Members of selection committees should not have a bias in favor of one candidate prior to the start of the selection process. There should be no change in the members of a selection committee once it has been convened, except it may be reduced in size if there is genuine emergency or illness. Selection committee members are responsible for:

- Determining an appropriate method of assessing applicants that will be free from bias, transparent and stand up to scrutiny.
- Conducting the interview or screening process.
- Ensuring candidates are selected on the basis of merit.
- Ensuring that selection documentation remains confidential.

2. **Review Position Description**

Before advertising the job vacancy, members of the selection panel should review the position description for the job. If there is not a position description available, one must be prepared before the selection process can continue. The purpose of reviewing the position description is so that members of selection committee can:

- Familiarize themselves with the objectives and duties of the job
- Review the selection criteria, if stated in the position description, or formulate selection criteria if not
- Ensure that applicants for the job are well informed about the nature of the job on offer
- Review the condition of employment (pay, hours of work, leave, superannuation, etc)

3. **Advertisement**

A job vacancy may be advertised in a variety of ways including:

1. Employment section of newspapers
2. Notifying a recruitment agency
3. Employment websites such as seek
4. organization’s own newsletters
5. organization’s own website
6. Calling a vocational education and training institution
7. Putting notice in local shop windows
8. Putting notice in own shop or office window
9. Community radio announcement

There should always be a position description for applicants to review. This principle should also extend to voluntary positions.

Chart (1.1) – Chart Showing the Process of Recruitment
4. Receive Applications

Applications for employment must be treated with considerable diligence and respect. Failure to appropriately handle applications for a job can severely jeopardize someone's employment potential, and thereby cause annoyance, distress, financial hardship and career prospects. Employment applications should be acknowledged as soon as possible, and filed in appropriate place to ensure none are missed.

The chairperson of the selection committee should review all incoming applications and attempt to determine a short list of candidates. If the number of incoming applications is very large, it may be necessary for the chairperson of the selection committee to obtain assistance from other staff. In determining a short list, the chairperson of the selection committee should eliminate all candidates who have not provided all the necessary information, especially statements in reply to key selection criteria.

The next elimination should be those candidates whose skills, abilities and experience are insufficient to score well against the key selection criteria. These eliminations can be carried out reasonably quickly. The remaining applications will all warrant a closer examination and awarding of points for each key selection criteria. Then specified number of candidates with the highest points are selected for the short list depending on the purpose available time and resource of the interview.

5. Arrange Interviews

Each candidate should be personally notified by telephone. It is unadvisable to notify by email, as an email sent is not necessarily an email received. Notification by letter is better that email but not as good as telephoning. The notification should contain:

- Start time of interview
- Name of the chairperson of the interview panel
- Contact details of the chairperson of the interview panel
- Job title of the vacant position
- Address of the venue for the interview
Advice on the format and duration of the interview
Advice on the number of panelists

Interviews are arranged according to the convenience of candidates and interviewers. The chairperson of the interview panel should endeavor to find a convenient time and date for the interviewee but this is not always possible. It is generally not feasible to call the interview panel together for more than one day.

6. Compile Interview Questions

Interview questions must relate to the key selection criteria. Questions must be open ended and well-worded so as to cause the "interviewee" to describe their relevant work history and/or portray their knowledge. One question may take the form of a "hypothetical". The purpose of such a question is to test the candidate "what would they do" in a certain situation. The "hypothetical" question adds significant pressure and it evaluates the level of knowledge, experience and work-readiness of the candidate.

Generally there is only a need to formulate one question per key selection criteria. However, the interviewers should have a supplementary question ready to go if the candidate struggles to understand the question, or simply does not provide enough information. The supplementary question gives the candidate a second bite to divulge more information.

7. Select Successful Candidate

'Selection on merit' is a process of determining which job seeker has the skills, abilities and knowledge deemed to be most suitable for the job. In a merit based system, applicants effectively compete for a job. The written application, the selection interview and any testing of applicants is all part of the competition process.

If the selection process is said to be "Closed Merit", a vacant position will be advertised only within the organization. Only applicants from within the organization will be able to compete for the vacant position. If the selection process is "Open Merit" then the vacant position is advertised widely by whatever means deemed to be
suitable to attract a pool of applicants from outside the organization. Generally, in an open merit selection process, vacant positions are advertised in the jobs section of a newspaper.

If jobs are awarded to individuals on the basis of friendship or relationship, then the selection process is not Merit Based. Similarly, if a position is awarded on seniority or plain proximity of an individual then the selection process is also not merit based.

It is essential to follow through with checking the applicant's referees. Although referees may not make negative comments about the applicant, much can be gleaned from what they say (or do not say). Although referees have agreed to be called and questioned about the applicant, it would not be proper to keep them on the phone for more than five minutes unless the position is very senior. Therefore make sure you prepare your questions in advance of the telephone call.

8. Formally Notify

Now, there is need to formally notify the successful and unsuccessful candidates as soon as possible. The successful candidate may already have undertaken other interviews and may receive other job offers. Furthermore, it is an important courtesy to formally notify unsuccessful candidates to enable them to carry on with the rest of their life.

Main Recruitment Process Steps

The recruitment process is very complex and the description of the recruitment process can be extremely detailed, but the recruitment process can be divided into several main recruitment process steps which can easily show the customers of the recruitment process the necessary inputs and outputs. For the proper setting of the recruitment process it is not necessary to describe each detail of the recruitment process. The measurement of the recruitment process can be implemented later as you need to bring recruitment process optimization. It is not necessary to define the recruitment measures from the beginning and the design of the recruitment
process does not have to be detailed. The recruitment process can be divided into several main recruitment process steps:

- Job Opening
- Recruitment Source Selection
- Job Interview
- Job Offer

The job opening is one of the most critical and most important steps in the recruitment process. The job opening is about a clear and simple definition of the job vacancy and the skills and competencies to be found on the internal or external job market. The job opening is not just about a job title, but it needs a lot of attention of the manager and HR to fill the job vacancy right.

The recruitment source selection is based on the description of the job vacancy and the HR Recruiter has to select the best recruitment channel to advertise the job vacancy to attract the best job candidates suitable for the job vacancy. Or the right job applicants to be exact.

The job offer is the nice recruitment process step as the HR Recruiter and the manager select the winning job candidate and they have to prepare a nice job offer, which should be accepted by the job candidate (http://yourhrmguide.com).

**Importance of Recruitment process**

High performing staff is essential if an organization is to deliver outstanding services to vulnerable people. Other sectors seem to offer more to staff be it in terms of payment, succession opportunities, and effective support for frontline workers, job security or just showing staff that they are valued.

Recruitment is the process of identifying that the organization needs to employ someone up to the point at which application forms for the post have arrived at the organization. Recruitment is crucial to organizational performance. It is a critical activity, not just for the HR team but also for line managers who are increasingly involved in the selection process. All those involved in recruitment activities should be aware of relevant legislation. Recruitment is almost central to any management process and failure in recruitment can create difficulties for any company including an
adverse effect on its profitability and inappropriate levels of staffing or skills. Inadequate recruitment can lead to labor shortages, or problems in management decision making and the recruitment process could itself be improved by following management theories (http://www.ask.com/).

Each organization needs the members to be in the organization. The recruitment process is the main process to bring new members to the organization. Each Human Resources Department has some kind of the support for this.

The recruitment process involves many steps and optimizations. It includes quite heavy HR Marketing as the organization can attract enough job candidates from the external job market.

Even a small company needs its recruitment process, including job offers posted on the entrance door. The owner has to have the recruitment strategy and the vision how to attract new potential employees. The bigger the organization the more formalized recruitment process it needs (http://yourhrmguide.com).

Effective Recruitment Process

In today’s scenario quality candidate are in great demand and there are a plethora of opportunities available to them. At this stage the challenge for organizations will be to build a bond with the right candidate in the Pre- hiring stage so that it will not be long before he gets picked up by a good firm. As such the HR, manager should give a timely feedback to the candidate during the entire pre-joining process and make efforts to answer all their queries that need to be cleared. Moreover a common characteristics in the Indian Companies, especially in the sector, is that it totally reject a candidate hailing from non-technical background for technical position. However, it has been observed that many people from non-technical background have performed better. Corporate need to have a strong “training and development “wing in place to recruit non-technical candidates.

The Indian companies are utilizing all opportunities to figure internationally today and thus there is a ready pool of talent waiting to be absorbed. Companies are likely to make a paradigm shift in their existing hiring strategies as the traditional hiring strategies may not suffice in this dynamic business environment. Express say the hiring talent in is selection oriented whereas in India it is rejection-oriented.
It has been observed that multinational likes Microsoft do not disqualify potential candidates on qualification grounds. However, many Indian companies do not have this open policy and accommodative approach (Kumar, 2008).

**Change in the Patterns**

The growth of permanent staff placements is at its fastest since July 2007, according to KPMG (2010), however, despite signs that the economy is picking up, businesses are still under pressure to keep operating costs low. This has prompted many HR departments to start using social networking as part of a new cost-conscious approach to recruitment (also known as social recruitment). Social networking websites function like an online community of internet users. Popular online sites include LinkedIn, Twitter and Facebook. They are growing at an exponential rate, with most of the sites being free to join and, importantly, giving organizations an effective means of attracting today’s Generation Y workforce.

Since the arrival of social networking sites many businesses have treated them with suspicion and often made it the responsibility of the HR department to police their use internally. However, the tide has turned and organizations are now embracing social networking with open arms as a way to attract and retain employees. This has led to a lot of organizations now creating online presences on the likes of LinkedIn, Twitter and Facebook, in order to engage with candidates and give them the opportunity to interact with them on a more informal basis. Others are creating career micro sites to allow them to start discussion forums to attract candidates and encourage them to look at potential vacancies and apply.

According to a report at the end of 2009 from Gartner, recruitment is an ideal starting point for social media usage in HR because key metrics, such as time to hire and cost of hire, can be measured and improvement can be substantiated (Otter, 2009). In addition, as the workforce ages, businesses need to get more competitive in order to attract and retain the new generation of young, enthusiastic workers.
This is because they make the organization’s brand stand out from the crowd by showing that it is staying relevant and embracing change as technology and ways of communicating evolve (Richard, 2010).

**The following Shows the Effective Recruitment Processes:**

❖ **Job analysis**

The starting point to a recruitment effort is to perform a job analysis and/or in some cases a task analysis, to document the actual or intended requirements of the job. From these the relevant information is captured in such documents as job descriptions and job specifications. Often a company will already have job descriptions that represent a historical collection of tasks performed. Where already drawn up, these documents need to be reviewed or updated to reflect present day requirements. Prior to initiating the recruitment stages a person specification should be finalized to provide the recruiters commissioned with the requirements and objectives of the project.

❖ **Sourcing**

Sourcing is the use of one or more strategies to attract or identify candidates to fill job vacancies. It may involve internal and/or external advertising, using appropriate media, such as local or national newspapers, specialist recruitment media, professional publications, window advertisements, job centre, or in a variety of ways via the internet. Alternatively, employers may use recruitment consultancies to find otherwise scarce candidates who may be content in their current positions and are not actively looking to move companies may be proactively identified. This initial research for so-called passive candidates, also called name generation, results in contact information of potential candidates who can then be contacted discreetly to be screened and approached.

Suitability for a job is typically assessed by looking for relevant skills, knowledge, aptitude, qualification and educational or job related experience. These can be determined via: screening resumes, job applications; interviews. More proactive identification methods include psychological, aptitude, numeracy and literacy testing the testimony of references. Many recruiters and agencies use
applicant tracking system to perform the filtering process, along with software tools for psychometric testing. In many countries, employers are legally mandated to ensure their screening and selection processes meet equal opportunity and ethical standards.

In addition to the above selection assessment criteria, employers are likely to recognize the value of candidates who also have the so-called 'soft skills', such as interpersonal or team leadership and have the ability to reinforce the company brand through their behavior in front of customers and suppliers. Multinational organizations and those that recruit from a range of nationalities are also concerned candidates will fit into the prevailing company 'culture'.

❖ Lateral Hiring

"Lateral hiring" refers to a form of recruiting; the term is used with two different, almost opposite meanings. In one meaning, the hiring organization targets employees of another, similar organization, possibly luring them with a better salary and the promise of better career opportunities. An example is the recruiting of a partner of a law firm by another law firm. The new lateral hire then has specific applicable expertise and can make a running start in the new job. In some professional branches such lateral hiring was traditionally frowned upon, but the practice has become increasingly more common. An employee's contract may have a non-compete clause preventing such lateral hiring.

In another meaning, a lateral hire is a newly hired employee who has no prior specific applicable expertise for the new job, and for whom this job move is a radical change of career. An example is the recruiting of a university professor to become chairman of the board of a company.

❖ On Boarding

"Onboarding" is a term which describes the process of helping new employees become productive members of an organization. A well-planned introduction helps new employees become fully operational quickly and is often integrated with a new company and environment. Onboarding is included in the recruitment process for retention purposes. Many companies have onboarding campaigns in hopes to retain top talent that is new to the company; campaigns may last anywhere from one week to six months.
Recruitment Approaches

There are a variety of recruitment approaches and most organizations will utilize a combination of two or more of these as part of a recruitment exercise or to deliver their overall recruitment strategy. The five basic models more commonly found are:-

- An in-house personnel or human resources function may in some case still conduct all stages of the recruitment process. In the smallest organizations recruitment may be left to individual managers. More frequently whilst managing the overall recruitment exercise and the decision-making at the final stages of the selection process external service providers may undertake the more specialized aspects of the recruitment process.

- Outsourcing of recruitment to an external provider may be the solution for some small businesses and at the other extreme very large organizations

- Employment agencies are established as both publicly-funded services and as commercial private sector operations. Services may support permanent, temporary, or casual worker recruitment. They may be generic agencies that deal with providing unskilled workers through to highly-skilled managerial or technical staff or so-called niche agencies that specialize in a particular industrial sector or professional group.

- Executive searches firms for executive and professional positions. These firms operate across a range of models such as contingency or retained approaches and also hybrid models where advertising is also used to ensure a flow of candidates alongside relying on networking as their main source of candidates.

- Internet recruitment services including recruitment websites and job search engines used to gather as many candidates as possible by advertising a position over a wide geographic area. In addition social network sourced recruitment has emerged as a major method of sourcing candidates (http://en.wikipedia.org).

**E-Recruitment**

E-Recruitment is the latest trend in the recruitment process. Also known as "online recruitment", it is the use of technology or the web-based tools to assist the
recruitment process. Online recruitment has an edge over conventional modes of recruitment. It makes life much simpler and cheaper for today's recruiter. It also reduces the average time spent by a recruiter in sourcing a suitable candidate.

E-Recruitment Sector

E-Recruitment or electronic recruitment is insulated from the 'market shocks'. Liberalization, Privatization and Globalization (LPG) and an increasing Internet penetration have all fueled the growth of this sector.

Recruitment involves contracting prospective candidates, sourcing references through them and so on. Application received in response to advertisement in newspapers was actually a nightmare for a recruiter. Sorting out the paper resumes and picking the right resume was really a difficult task. Moreover, after the advent of e-recruitment, the online medium provides many tools that can be used for screening the resumes. Some portals provides end to end recruitment solutions. End to End implies sourcing, screening, short listing, scheduling interviews and zeroing in on the right candidate.

The decade-old online recruitment industry in India seems to be flooded with different job sites, each of them promising better job to candidates and better candidates to employers. The Indian market for e-recruitment is still lagging behind by at least five years in comparison to its western counterparts. Online recruitment is almost neck-to-neck with other recruiting channels (Baliga, 2008).

Benefits to Candidates:

The candidates also benefit, as the streamlined procedures mean they spend less time moving around the site from test to test. The serious attention given to their applications is obvious and, in consequence, they report feeling more valued. When a company canvasses candidates during recent assessment centres for feedback on the graduate application process, most of them reported being "really impressed" and particularly praised the amount of preliminary testing conducted in advance.

In short, organizations are in no doubt about how it has benefited from implementing the hiring management system and is already planning on expanding its use into other areas of recruitment. This will include external recruitment, where the
company anticipates that major part of the permanent staff hires will be conducted using e-recruitment. During the coming years, the companies also intend to apply the processes and system to internal recruitment, using them to maximize its leverage of the existing talent pool (Leftley, 2007).

Diversity in the Patterns of Recruitment

Increasing diversity whilst recruiting has been one of the hot topics in the employment marketplace for the last couple of years. The debate has often been driven by the public sector which has been the source of much best practice, whilst in the corporate sector, legal compliance has been the primary driver behind most diversity recruiting.

The introduction of The Employment Equality Regulations, 2003 has made it illegal to discriminate or harass in the workplace on the grounds of sexual orientation, religion and beliefs. However, the threat of being sued should not be the backbone of your diversity policy. Economics and commercial advantage provide solid foundations for most corporate initiatives and the business case for increasing diversity via recruitment should be no different. Outlined below is a plan for developing an effective diversity recruiting strategy:

1. Know your Market

In order to effectively recruit from minority groups, it is important to understand your available talent market. Use internal resources to help you get to know your market place: Market research, marketing and sales departments, and corporate communications functions tend to be a rich source of information in relation to the diversity of your customer base. Learn from your sales and marketing team who, given the commercial benefit, will have developed a sophisticated strategy for attracting and retaining diverse customers.

2. Build the Business Case

For the success of any diversity recruitment programme is to win the hearts and minds of those it will most closely impact – hiring managers. A sound commercial justification for recruiting for diversity is crucial. The diversity issue is now widely recognised in the marketplace and organisations as varied as Ford, BT,
the Police and JP Morgan have all appointed senior executives as diversity directors. Most companies appreciate that there is a commercial benefit to be gained by widening the candidate search to include diverse groups.

3. Channels to Market

The key to success in diversity recruitment is to widen the pool of recruits that you are targeting, and to have an effective strategy to reach your target audience. The most important aspect of recruitment from a consumer’s or customer’s point of view is that the best people are recruited to do the job. Employees are the backbone to an organisation’s competitive advantage, and if the organisation does not target mature workers, or women, or ethnic minority communities, for example, then it is a failure to use the widest talent pool available to find the best employees.

4. Reward Greater Diversity Recruiting

Traditional measures of success in the recruiting area are cost and time of hiring. Most firms refuse to give recruitment agencies extra incentives for identifying diversity candidates or for successfully recruiting diverse individuals. Really successful companies in this field also ensure hiring managers are rewarded for great diversity recruiting. A significant portion of all individual hiring managers’ pay between 5 and 10 per cent should be based on diversity recruiting and retention results. In addition, senior management should have their pay based on producing results. In the challenging world of investment banking, Morgan Stanley has implemented such a strategy and its impact has been enormous on the diversity of its workforce – even in the traditionally white male-dominated environment of the trading floor.

5. An ongoing Focus

Recruiting for diversity cannot simply be perceived as successful, once new diverse employees have joined the organisation. Equally important is the integration and retention of a diverse workforce. Organisations need to invest time in understanding these employees’ personal drivers and motivators, which may vary significantly from existing staff (Tipper, 2004).
The Impact of Recession on Recruitment.

The statistics of the world economic meltdown has started to become so well-known as to become clichéd. The impact of the recession is now beginning to penetrate more and more aspect of the economy in more and more countries almost everyone, everywhere is affected. In particular, the mobility of executives between jobs in different companies in different sectors in different countries and regions has noticeably slowed (http://www.iupindia.in).

In examining the impact of the current economic meltdown on recruiting between organizations, a cross-section of companies, of recruitment firms and of job candidates across many locations have been consulted.

As a general, the human resource function of most organization reflects the decisions of senior management further down the line. Resistance, conservatism, a wait and see attitude, putting, everything on hold and making only short term decision soon impacts the HR department. The latest policy on hiring practices can be first area to be affected. There are number of possibilities here- companies are simply not doing any, or they have put recruitment projects on hold for the short, medium or long-term or they are letting people go.

British Telecom is not doing much hiring, but the main issue is the laying off of staff which British Telecom is most reluctant to do, so contractors are the first to go. The ‘no Redundancy policy’ at BT means putting ‘spare’ BT people into jobs previously outsourced. As a result a substantial proportion of the 10000 jobs losses at British Telecom are of contractors not core BT staff. The skills needed for global workforce are currently being reviewed, so there are positive efforts going on in terms of HR initiatives. Meanwhile, Apprenticeships at British Telecom are increasing number due to more Government spending in this area.

Also confirming the cut down on hiring trend a recent blog discussed how Google has dismissed 100 internal recruiters cancelled all external hiring contracts and was thought to have terminated all external vendors. Google is still hiring but at a reduced rate. Given the state of economy, we recognized that we need fewer people focused on hiring.
The first step to address this was to wind down almost all our contracts with external contractors and vendors providing recruiting service to Google. However, after much consideration the great regret decided that we need to go further and reduce the overall size of our recruiting organization by approximately 100 positions. They helped build this company new hire by new hire.

Many head-hunters advice that this could be a very good time to recruit excellent people unexpectedly on the market and some companies are taking advantages of this, especially those weathering storm and claiming survivors from recession victims. Companies across the board are taking stock of talent and considering the skill needed for the future.

British Telecom for example, has seen few salary rises. Bonuses are related only and thus are not pensionable. The final salary calculation of employees on the original pension scheme is now changing from the highest in the last three years to the career average, as a basis for the calculation. This may well have the effect of reducing the company’s pension bill.

Some emerging markets worldwide offering reduced operating costs for multinational are benefiting from the impact of the recession on high cost location. The survey based on the US, suggested that 61% of employers expect their financial performance to remain poor till the end of 2009, and they are responding accordingly. Their employees, glad to still have a job, are taking the cut backs on the chin.

Recruitment firms are often seen as indicative of the state of the economy as a whole. As one of the first executive search consultants in the central and eastern European region from the early 1990s has watched the region expand out in Western Europe would seem to be a source of opportunity further east.

Meanwhile the largest international search firms are finding the going tougher with declining operating income, net revenue and margins. Meanwhile the only thing going up is the number of resumes from potential candidates anxious to play the field even if still in employment.

Business start-ups are on the increase and entrepreneurs will see the opportunities whatever the economic climate. Some executives found that their moonlighting activity in setting up their own small businesses on the side whilst
working has paid off especially when they received their pink slips or redundancy
notices.

Education is still a growth sector. Executive search assignment to find talent in
this area are still growing and are least affected of all industry sectors by the
recession. Headhunters do not recommend gaining qualification focused on the
financial services sector right. But qualifications are not everything and sometimes
can be negatively perceived by employers.

As executive survey in February 2009 by international executive search firm
Korn Ferry presents an optimistic picture of a recovery in the labor market during
2009-2010, with more than half of jobs seekers confident of finding a new job this
year. Over the next five years, an overall upswing in hiring greater than the previous
five year could be on the cards, so looking back the ‘economic meltdown’ may just be
a blip on the company hiring plan. Even if it is more of a trough than a blip, the
consensus of opinion is that it will return to former levels and may well exceed them
(Jones, 2009).

Recruitment Overview

As the recruitment is not just about job interview, but it can be quite complex
and sophisticated HR Process, it needs a lot of attention of Human Resources. Human
Resources are usually evaluated by managers on the basis of the speed of the
recruitment process and the quality of the job candidates. The managers take this
process as a basis provided by HR to them. They do not care about the conditions on
the job market; they just want the recruitment process to work and to deliver the job
candidates to their job vacancies. The recruitment process is very complex and the HR
Recruiters have to cover a lot of issues as this is not just about external job candidates,
but the recruitment process has to be used to staff the job positions internally
(http://yourhrmguide.com).

Indian PSU’s—Some Facts

There is no universally accepted definition of Public Sector Undertakings
owing to variation in concept and scope from country to country. Public Sector
Undertaking is an activity of a business character, managed and owned, 51 percent or
more by the Government Central State or local providing goods or services for a price. Public Sector means a sector of an economy, which is owned financed, controlled and monitored by the government as a part of responsibility to ensure fulfillment of the role of the state “most precisely the PSUs can be defined as a productive entity or organization, which the owned and/or controlled by Public Authorities and whose output is marketed.”

According to Public Enterprises Survey, “Public Sector in India includes all activities funded out of government’s Budget”. Hence, the size of public sector in terms of its coverage is noticed to be, indeed quite a large. The PSUs form a part of Public Sector as a whole and have been established as Government Companies or Statutory Corporations. They are also called Non-Departmental Enterprises of Central Government (Singh & Singh, 2004).

The relevance of public sector Enterprises largely depends upon country’s prevailing political ideology, social customs, stage of economic development and need of people. In a developing economy, it calls for a deal of deliberate government planning involving rational allocation of resources over various projects considered desirable during a given period from the view points of set objectives.

The role of Public Sector Undertakings may differ from country obviously because of differing situations. But the cruel bells of poverty, unemployment and inequality appear to be the most common at least among all the less developed countries.

The PSUs are therefore considered as catalytic agents for economic development via Industrialization. To break the vicious circle of poverty and reduce unemployment and inequality, the process of industrialization can be initiated effectively by the government obviously because the private sector will never come forward to make investment on infrastructure, which is by virtue of its qualification a prerequisite for expansion of both production and consumption activities. Therefore, direct involvement of the state becomes inevitable.

The most of the newly emerging nation’s public enterprises are matter of necessity than of choice.” In most of the developing economies the PSUs has been identified as powerful instrument both by economic as well as social considerations (Singh & Singh, 2004).
Development of infrastructure and basic heavy industries is a prerequisite for starting the process of industrialization and it involve huge amount of investment and risk with little or no profit, which only state can afford through its PSUs.

During the initial phase of development, most of the less developed countries including India experienced shortage of capital as one of the major problems in capital formation. The problem of capital formation is due to circular relationship between the demand and supply of capital. On supply side, there is a small capacity to save resulting from low level of real income. The low real income is reflection of low productivity, which, in turn, is largely due to lack of capital. The lack of capital is result of the small capacity to save, and so the circle is complete on demand side. The inducement to invest may be low because of the small buying power of the people, which is due to their small real income, which again due to low productivity. The low level of productivity, however, is a result of the small amount of capital used in production, which, in turn, may be caused or at least partly caused by the small inducement to invest.

The public sector reduces the problem of capital formation to a significant extent. It helps not only in increasing savings but also in making the best possible use of the funds towards maximization of economic growth and promotion of industrialization (Singh & Singh, 2004).

Public Enterprises form an important segment of public sector in India. During the last five decades Public Enterprises have phenomenally grown in terms of investments and numbers.

The rising investment in Public Enterprises, with their continuing demand for further investment, and the resource constraints faced by the Economy have led to questioning of their future role. Question have also been raised as to how far PEs have succeeded in fulfilling the expectations with which they were set up. These queries have been answered in many ways and various initiative by the government have set the trend to make Public Enterprises more effective and efficient. There are also initiative of divesting the enterprises under the guidance of Department of Disinvestment. There have been wide publications on related issues but most of the writing on the issue has been polemical, apologetic or sometimes downright condemnatory. However, there has been albeit inadequate research on Public
Enterprise performance and problems which has gone without much notice (Mishra, 2003).

Navratnas and Miniratnas Public Enterprises

In order to prepare giant public enterprises for global competition and enable them to assume the role of Indian multinationals, the government identified 9 enterprises (namely, Bharat Heavy Electrical Limited; Steel Authority of India Limited; Mahanagar Telephone Nigam Limited; Videsh Sanchar Nigam Limited; National Thermal Power Corporation; Bharat Petroleum Corporation Ltd; Hindustan Petroleum Corporation Ltd; Indian Oil Corporation Ltd; Indian Petrochemicals Corporation Ltd; Oil & Natural Gas Corporation) as Navratnas and 97 enterprises as Miniratnas, based on their record with regard to constant profitability and size of capital. Later, the list of Navratnas was extended from 9 to 11 to accommodate MTNL and VSNL. Subsequently, the number of Miniratnas was scaled down from 97 to 45.

The rationale behind identification of these enterprises as Navratnas and Miniratnas was to increase their economic and operational autonomy in proportion to their financial and commercial success, as also to provide them special leverage to face competition in Indian and global markets by freeing them from bureaucratic and procedural hurdles (Mishra, 2003).

Growth and Performance of Public Sector Undertakings in India

Prior to Independence, there were few 'Public Sector' Enterprises in the country. These included the Railways, the Posts and Telegraphs, the Port Trusts, the Ordnance Factories, All India Radio, few enterprises like the Government Salt Factories, Quinine Factories, etc. which were departmentally managed. Independent India adopted planned economic development policies in a democratic, federal policy.

The country was facing problems like inequalities in income and low levels of employment, regional imbalances in economic development and lack of trained manpower. India at that time was predominantly an agrarian economy with a weak industrial base, low level of savings, inadequate investments and infrastructure facilities. In view of this type of socio-economic set up, our visionary leaders drew up

The 1948 Resolution envisaged development of core sectors through the public enterprises. Public Sector would correct the regional imbalances and create employment. Industrial Policy Resolution of 1948 laid emphasis on the expansion of production, both agricultural and industrial; and in particular on the production of capital equipment and goods satisfying the basic needs of the people, and of commodities the export of which would increase earnings of foreign exchange. In early years of independence, capital was scarce and the base of entrepreneurship was also not strong enough. Hence, the 1956 Industrial Policy Resolution gave primacy to the role of the State which was directly responsible for industrial development. Consequently the planning process (5 year Plans) was initiated taking into account the needs of the country.

The new strategies for the public sector were later outlined in the policy statements in the years 1973, 1977, 1980 and 1991. The year 1991 can be termed as the watershed year, heralding liberalisation of the Indian economy.

The main elements of the present Government policy towards Public Sector enterprises as contained in the National Common Minimum Programme (NCMP) are given below:

- To devolve full managerial and commercial autonomy to successful, profit making companies operating in a competitive environment.
- Generally, profit-making companies will not be privatized.
- Every effort will be made to modernize and restructure sick public sector companies and revive sick industry.
- Chronically loss making companies will either be sold off, or closed, after all workers have got their legitimate dues and compensation.
- Private industry will be inducted to turn-around companies that have potential for revival.
- Privatization revenues will be used for designated social sector schemes.
Public sector companies and nationalized banks will be encouraged to enter the capital market to raise resources and offer new investment avenues to retail investors.

One of the significant achievements of the public sector has been taking over of many "sick" units which had been incurring heavy losses and putting them on the track.

The public sector's contribution in meeting India's industrial needs is considerable now. The Heavy Engineering Corporation has facilities to set up a one million ton capacity steel plant a year. The Bharat Heavy Electricals can supply all the power generating equipment the country's needs. It is admitted that one of the bannes of the public sector under utilization of capacity remains to be solved. Vital capital resources go waste as a result of unused capacity, leading to heavy losses. But now an attempt is being made to introduce flexibility by manufacturing different types of equipment based on substantially the same fabricating facility with only slightly more investment.

In other words, the economy of such a country needs to be duly controlled and unless and until capital acquires free movement and diverse channels to cater for highest tastes and improve the standards living, a free economy in a country would not work well. By any standards, the growth of the public sector in India lies phenomenal, having by now been able to invest its own productive assets, recruit and train its own staff and management and conceive and execute its own products. This record has justified the people's faith in the public sector as an instrument of national growth.

Along with the increase in output and diversification of products has come a new outlook in management and internal relations in the public sector. Better utilization of installed capacity, improved inventory and materials management, economy in the use of working capital, new monitoring systems, and quick handling to labour problems have inculcated a sense of belonging among the employees. Till now the main profiteering concerns were commercial ones like the Indian Oil Corporation, the Food Corporation of India and the State Trading Corporation. Now others, like the Bharat Heavy Electricals, have also begun to show profit.
The last two years of the fourth plan were again marked by a spurt in the growth rate of internal resources. This directly attributed to sustained improvement in the financial performance of public enterprises during these years. Some of the internal resources generated have been ploughed back by the public sector enterprises for financing renewals, replacements, and modernization and capital improvements.

The public sector has played a very prominent role in economic and industrial development of the country and the PSUs, a major player in the total set up of public sector, have contributed immensely in shaping the Indian Economy through the huge investment and vast area of operation extending to all the states and Union Territories (http://essaysandarticles.com).

Organisation of Public Enterprises Environment

An effort has been made in the following chart (1.2) to present graphically the constituents of the Public Enterprise environment. At the top is the president of India, in whom powers of the sole or the majority shareholder vest. All formal directives to government companies are issued in the name of the President, as prescribed by the articles of these companies. For the statutory corporations, the directives are issued in the name of the central government as required by their statutes. But this is only a technical difference.

The cabinet is the final arbiter in all important matters, capital expenditure beyond laid down limits, schemes of grouping or regrouping of Public Enterprises, flotation of a government company, board levels appointment, disinvestment and privatisation decisions etc; would need the cabinet clearance.

The minister and the administrative ministry have critical and frequent interactions with PEs, both at the informal and formal levels. Invariably, one or more senior officials of the ministry are on the board to monitor information and to convey the ministry’s point of view to the enterprise. Generally, the operating units have no direct relations with the administrative ministry, which deals with their head office. Another constitutes in the diagram is the planning commissions.
Chart: (1.2)-Presentation of the Public Enterprises Environment

President of India

Planning Commission:
(i) Project Approval
(ii) Monitoring Information

Cabinet

Finance Ministry

Labour Ministry: Employment Policies

Department of Public Enterprise

Government:
(i) Law & Order
(ii) Industrial Relations
(iii) Employment
(iv) Water & Power etc.

Public Investment Board

Minister & Administrative Ministry

Vigilance & CBI

State Government:
(i) Law & Order
(ii) Industrial Relations
(iii) Employment
(iv) Water & Power etc.

Parliament:
(i) Question, Debates Etc.
(ii) COPU & other committees of parliament

Comptroller & Auditor General of India (CAG)

Supreme & High Courts

Suppliers

Customers

Shareholders

Trade Unions and Officers Associations

(i) Public at Large
(ii) Academics
(iii) Press

Commissioners for Scheduled Castes & Tribes

The competitor's suppliers, customers, the public at large, the press and the academic, all in their own way affect Public Enterprise operations. The Public Enterprise environment is also affected by the commissioner for Scheduled Caste and Tribes, who is permitted to receive direct representation from these communities in regard to their placement, promotion, etc. Shareholder have become an important constitutes of disinvestment Public Enterprises. They can challenge policy and performance (Narian, 2010).

**Impact of Economic Reforms of 1991 on the Performance of PSU’S**

Realizing the seriousness of dilapidated conditions and mounting pressure of recurring losses of PSU’s, the Government of India through its new economic reforms of 1991 decided to overhaul its policies towards public sector necessitating them to generate maximum possible funds of their own and also through floating of share from the market for bringing them on the right track of sustainable growth and stability in future.

Secondly, the scope of public sector, which used to enjoy monopoly of as many as 17 reserved areas, was slashed down to the six including those of defense and minerals.

Thirdly, as a result of this, the public sector was quite likely to face a tough competition not only from the Indian private companies, but also those established abroad. In spite of these snags, the analysis carried out in the previous sections of this chapter clearly indicates a much better performance of PSU’S in India during the post reform period. Some of the most striking conclusions emerging from the analysis are recorded here as under.

There is no denial of the facts that PSU’s in India have experienced constantly increasing trends of investment growth in absolute terms throughout the references period. But it seems to be rather unfortunate that compared to the pre-reform period. The growth rate of investment in Public Sector Undertaking’s is found to be significantly lower during the post reform period. Besides experiencing a marginal reduction in the total number of enterprises.

A slower growth rate of investment in PSU’s during the post reform period might be inter-alia one of the factor chiefly responsible for lowering down the scope
of employment as witnessed by the significant reduction in the total number of persons employed during this period.

A slightly less than three times increases in internal resources of Public Sector Undertaking's along with the significant increases in the ratio of internal resource to capital employed has finally resulted in a considerable enhancement in both the value of output and the value added during the post reform period. Corollary to this, there have been appreciable increases not only in the value added per employee but also the tremendous increases in magnitude of sales, showing a remarkable improvement in the marketing efficiency of the Public Sector Undertakings.

A tremendous improvement in internal resources of Public Sector Undertaking's as experienced during the post-reform period, appears to have gone in favour of validating the hypothesis that economic reforms will lead to not only strengthening of the total capacity of the Public Sector Undertaking's but also accelerating the growth rates of the value of output and the value added.

Consequent upon the phenomenal rise in value of output and value added, not only foreign exchange have shown an appreciable increase during the post-reform period but the revenue receipts from Public Sector Undertaking's going to the state exchequer have also demonstrated a phenomenal increases during the same period.

Compared to the pre-reform period nearly three times increases in the ratio of net profit to capital employed to Public Sector Undertaking's during the post reform period has also gone in favour of validating the hypothesis that economic reforms of 1991 will help a lot in improving the rate of return on capital employed.

An assessment and analysis of the financial performance of Public Sector Undertaking's have enabled us to conclude that although the number of Public Sector Undertaking's incurring losses has, no doubt, shown a marginal reduction. The phenomenal increase in the magnitude of incurred losses is of alarming nature – penetrating beyond doubts and still continuing to exist and rise.

**Suggestion for betterment of PSUs**

1. Setting clear and attainable goals
2. Reduce undue interference
3. Holding management accountable for results
4. Designing the framework of incentives
5. Recruit the team of managers with appropriate skills
6. Liquidate unviable and expedite privatization of some PSEs
7. Exposure of public enterprises to domestic and foreign competition (Singh & Singh, 2004).

**Causes of Poor Performance of PSUs**

In spite of enjoying added advantages in terms of huge investment, Government protection, and priority over private sector, it has not been possible for PSUs to attain the extended level of progress over the period.

The following are the reasons for poor performance of PSUs:

- Excessive protection from domestic and foreign competition.
- Assignment of monopoly powers or consolidation of several enterprises into single one without any perceived economies of scale.
- Disregard by government and/or public manager to financial profitability.
- Excessive reliance on government funds frequently at subsidized rates.
- No pressure on enterprises to make dividend payments or earn adequate return on capital.
- Conflict between social and financial objectives and predominance of social objectives.
- Excessive reliance on debt rather than equity financing.
- Complicated size of transfers between enterprises and central budgetary authorities.
- Poor quality of and/or delayed financial accounts.
- No financial stake of manager in company’s financial performance.
- Excessive control of and interference with the operation of public enterprises.
- Politicized board directors.
- Little autonomy for public manager in daily operations.
- Existence of bureaucratic, over centralized multi sector holding companies (Singh & Singh, 2004).

**Challenges for the PSU’S**

- Absence of concrete labor laws have resulted in strikes that have not allowed the sector to expand and modernize, resulting in many undersized operations.
The country faces logistical disadvantages due to its geographical location; since the country is farther from the major markets than her competitor.

Inadequate export infrastructure and poor road connectivity affects the public sector's competitiveness.

Even though the quota restrictions have been dismantled, the Indian public sector still continues to struggle with government regulations.

The power cost in India is much higher in comparison with other countries such as Brazil, China, Italy, South Korea, Turkey and the USA. Power comprises nearly 10-17% of the total cost of production for.

Despite being the major producer of electrical, the productivity of electronic is measured by tones is much lower than other countries whereas the level of product in China and Japan Brazil and Turkey is more than 1 pertone and India's productivity is less.

The fragmented nature of the supply base makes it difficult to achieve true integration between various links in the supply chain, as it creates issues of lack of control and lack of consistent or reliable performance.

Lack of any trade pact memberships creates problems in accessing the major international markets leading to quota and duty disadvantages.

Conclusion

Workforce planning is vital if a business is to meet its future demands for staff. It allows a business time to train existing staff to take on new responsibilities and to recruit new staff to fill vacancies or to meet skill shortages. Keeping recruitment a core strategic asset for organization, will difficult benefit organization. The first step toward making this vision a reality is to determine what types of hiring your organization requires and how hiring processes drive organizational success. It has been found that the most useful top-end measurement is hiring efficiency vs. hiring effectiveness. Using the efficiency vs. effectiveness framework will enable you to configure hiring systems that best support your organizational objectives and determine the degree of process automation necessary to support your hiring needs.

The traditional functions of HRM now need to be strategically directed towards developing and sustaining organizational capabilities, through activities that
overlap with traditional business functions such as finance, marketing, and non-traditional activities, such as knowledge management.

HRM has the responsibility to maximize efficiency and profit, but in the emerging scenario, the role of HR manager is changing rapidly due to changes in government policies, unions, labor legislations and technology. The trends have taken place in the organization, human resource planning, job design, motivation, and recruitment and skill development and employee relations. The challenges can be faced by HRM effectively, if proper strategies are implemented. Hence, the role of HRM will be more significant in future due to the emerging scenario.

This Chapter deals with the comprehensive human resource management, recruitment and public sector undertaking. The succeeding chapter deals with the review of literature.
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