ROLE OF RECRUITMENT & SELECTION POLICIES IN CENTRAL CO-OPERATIVE BANKS

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ABSTRACT

Human resources are a term used to describe the individuals who comprise the workforce of an organization. The use of the term 'human resources' by organizations to describe the workforce capacity available to devote to the achievement of its strategies has drawn upon concepts developed in Organizational Psychology.

“Recruitment forms a major part of an organization’s overall resourcing strategies, which identify and secure people needed for the organization to survive and succeed in the short to medium-term.”

“Selection is the process in which candidates for employment are divided into two classes, those who are offered employment and those who are not to be.”

Better recruitment and selection strategies result in improved organizational outcomes. With reference to this context, the research paper entitled Recruitment and Selection has been prepared to put a light on Recruitment and Selection process. The main objective is to identify general practices that organizations use to recruit and select employees and, to determine how the recruitment and selection practices affect employee efficiency in central cooperative banks. It is a conceptual study and mainly based on secondary data.

Keywords: Human Resource; Recruitment; Selection; Employee Efficiency

INTRODUCTION

Co-operatives are organized group of people and jointly managed and democratically controlled enterprises. The purpose and objectives of co-operatives provide the framework for co-operative corporate governance. Co-operative governance is therefore about ensuring co-operative relevance and performance by connecting members, management and employees to the policy, strategy and decision making process.

Co-operative banks has successfully completed more than five decades of success to the state of Rajasthan in general and to the rural and farming community in particular. The banks was established to provide short term agriculture loan for agricultural, rural development, non-agricultural loans, employment oriented schemes and short term loans.

At present there are 29 District Central Co-operative banks (DCCB’S) operating in Rajasthan whose activities are regulated and supervised by Rajasthan State Co-operative Bank (Apex Bank).
HR policies and practices are one of the important source of competitive advantage among banks. To compete successfully in this competitive era banks continually improving their performance by improving HR policies and practices. Many researches have proved that the HR policies and practices have a positive relationship with employees efficiency. There are several factors which affect an employee’s efficiency but present study focuses on the relationship between recruitment & selection and employee’s performance. The purpose of this study is to evaluate the role of recruitment selection policies in district central cooperative banks.

An effective approach to recruitment and selection can help an organization to maximize the competitive advantages by choosing the best pool of candidates quickly and cost efficiently (Kleiman, 2005). But successful recruitment and selection can be costly and time-consuming. Still, recruitment and selection is crucial for a business, because unsuccessful recruitment and selection can be responsible for the failure of the business (Ahmed, Tabassum & Hossain, 2006).

Recruitment and Selection

Successful human resource should identify human resource needs in the organization. Once the needs are identified, the process of recruitment or acquisition function starts.

Recruitment is the discovering of potential candidates for actual or anticipated organizational vacancies. Or, from another perspective, it is a linking activity bringing together those with jobs to fill and those seeking job. The ideal recruitment effort will attract a large number of qualified applicants who will take the job if it is offered. It should also provide information so that unqualified applicants can self select themselves out of job candidacy; this is, a good recruiting program should attract the qualified and not attract the unqualified. This dual objective will minimize the cost of processing unqualified candidates.

Definition of Recruitment

- Recruitment is the process of attracting prospective employees and stimulating them for applying job in an organization.
- Recruitment is the process of hiring the right kinds of candidates on the right job.

Methods of Recruitment

There are various methods of recruitment but for the sake of simplicity, they have been categorized under two broad headings.

- Internal Recruitment
- External Recruitment

Benefits and Importance of Recruitment

1. Helps to create a talent pool of potential candidates for the benefits of the organization.
2. To increases the pool of job seeking candidates at minimum cost.
3. It helps to increase the success rate of selection process by decreasing the no of visits qualified or over qualified job applicants.
4. Helps in identifying and preparing potential job applicants who will be the appropriate candidature for the job.
5. Finally it helps in increasing organization and individual effectiveness of various recruiting techniques and for all the types of job applicants.

Selection
Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organization. Selection is much more than just choosing the best candidate. It is an attempt to strike a happy balance between what the applicant can and wants to do and what the organization requires.

Importance of Selection
Selecting the right employees is important for three main reasons: performance, costs and legal obligations.

Performance: At first, our own performance depends in part of our own subordinates. Employees with right skills will do a better job for any company and for the owner. Employees without these requisite skills or who are abrasive would not perform effectively and the company performance will suffer to a great extent. So there is a time to screen out undesirables and to choose the better and perfect candidate that can effectively contribute to company success.

Cost: Second, it is important because it is costly to recruit and hire employees so cost-benefit ratio have to be considered while hiring of employees in order to avoid any unnecessary wastage of money and the valuable resources. The total cost of hiring a manager could easily be 10 times as high as once one add search fees, interviewing time, reference checking, and travel and moving expenses.

Legal Obligations: Thirdly it is important because of the two legal implications of incompetent hiring. Firstly equal employment law requires nondiscriminatory selection procedures for selected groups. Secondly, courts will find the employer liable when employees with criminal records or other problems use access to customers’ homes to commit crimes. Lawyers call hiring workers with such backgrounds, without proper safeguards, negligent hiring. So the negligent hiring highlights the need to think through what the job human requirements are. So in order to avoid the concept of negligent hiring, it is necessary to make a systematic effort in order to gain relevant information about the applicant and verify all the documentation.

Essentials and Prerequisites of Selection
1. Picking individuals possessing relevant qualifications.
2. Matching job requirements with the profile of the candidates.
3. Using multiple tools and techniques to find the most suitable candidate suitable.
4. Of achieving success on the job

The Process of Selection
1. Reception
2. Screening Interview
3. Application Blank
4. Selection Tests
5. Selection Interview
6. Medical Examination
7. Reference Checks
8. Hiring Decisions

Selection is usually a series of hurdles or steps. Each one must be successfully cleared before the applicant proceeds to the next.

**Recruitment and Selection in District Central Cooperative Banks**

Once the human resource planning is complete, the next step is to acquire personnel necessary to ensure the continued operation of the organization. In the absence of scientific recruitment and selection procedure, the management of any organization may fall to select the right man with the right skills for development, doing the right job, in the right environment. Moreover, the employees must have faith in the system of recruitment and selection. Recruitment provides the opportunity to cater to changing needs of people by either repositioning current employees or injecting fresh blood into the organizational veins.

There are three modes of recruitment in the cooperative banks, namely-

1. By direct recruitment
2. By taking persons on deputation from Government or from sister cooperative institutions
3. By promotion

The main sources of recruitment is newspaper advertisement but in cooperative organization, information in respect of vacant posts is conveyed through the system of circular to the State Employment Exchange which receives a restricted distribution. Thus in the absence of a wide publicity of vacant posts, the service in cooperative banks is easily available to the persons known to the top and middle executives.

Internal promotion can be a good practice if merit is not sacrificed. Similarly, recruiting like-minded people can become a bad practice if it leads to organizational behaviour where diversity is resented. Cooperative banks typically apply precise and rigorous guidelines to admit members but do not show the same commitment when it comes to recruiting people, despite the fact that hiring decision involves enormous costs when one takes into account the recruitment costs, training costs, salary and benefit over the tenure of employees and replacement cost.

Deputation of Government officers to hold the key posts in cooperative banks is a widely prevalent practice. This practice is consequence upon the dependence of cooperative banks on the government for financial and managerial assistance. The practice of deputation affects the banks employees in certain respect, particularly, the promotion prospects at the higher echelons. Further the cooperative banks, unlike commercial banks, have local identity and the image and have strong banks with local community. Cooperative banks prefer to recruit local candidate particularly for managerial cadre post due to the fact that they are well adjusted to the local environment.
LITERATURE REVIEW

According to Edwin B Flippo

Recruitment is nothing but the process of searching the candidates for employment and then stimulating them for jobs in the organization. It is the activity that links the employees and the job seekers. It is also defined as the process of finding and attracting capable applicants for employment. It is the pool of applicants from which the new employees are selected. It can also be defined as a process to discover sources of manpower to meet the requirement of the staffing schedule and to employ effective measures for attracting the manpower in adequate numbers in order to facilitate the effective selection of an efficient working force.

According to David A De Cenzo

The recruitment needs are of three types which are as follow:

1. First one is Planned Needs: These are the needs that arise from the changes in the organization and retirement policy creating vacancy for new jobs.
2. Second one is Anticipated Needs: These are those movements in personal which an organization can predict by studying trends both in external as well as internal environment.
3. Last one is Unexpected Needs: These needs arise due to various reasons like deaths, resignations, accidents, illness, relocation etc.

Jovanovic (2004) said recruitment is a process of attracting a pool of high quality applicants so as to select the best among them. For this reason, top performing companies devoted considerable resources and energy to creating high quality selection systems.

SCOPE OF THE STUDY

The scope of study is limited to employees of District Central Cooperative Banks in Southern Rajasthan. This research has mainly focused on the study of the Recruitment & Selection policies of district central co-operative bank in Rajasthan and its impact on their employee efficiency.

OBJECTIVE OF THE STUDY

- To study policies and practices of recruitments and selection in District Central Co-operative banks.
- To find out the sources of recruitment in District Central Co-operative banks.
- To find out the problems related to recruitment and selection in District Central Co-operative banks.

FINDINGS

- The existing recruitment process of banks is good but it has some shortcomings that is being Covered in recommendations and on overall the recruitment department has pressure on it.
- The ratio of selected candidates to joining candidates is quite effective and highest in number as the employees being selected are also of the view that they are analyzed properly and effectively.
CONCLUSION

On the basis of the findings of the study investigation, the following conclusions can be drawn. As District central cooperative Bank is giving more emphasize on external sources of recruitment, it is getting the freedom of choosing from a wide range of diverse candidates (Mathis & Jackson, 2005). Political forces and personal biases can be eliminated by such recruitment policies (Fisher, Schoenfeldt & Shaw, 2004). But as internal recruitment is less costly and time consuming compared to external recruitment, Bank should try to balance between internal and external recruitment based on the type of the job, availability of time and financial conditions. To increase the employee retention, Bank can use employee referral for recruitment purpose. Promotion and transfer will ensure the career development focus of Basic Bank and at the same time it will help to improve the employee morale (Mathis & Jackson, 2005). A drawback of cooperative banks is that they are not able to attract professionally qualified candidate because of the poor salary structure. The only way to attract professionals would be when compensation needs to be internally consistent and externally competitive.

At present, the pace of recruitment in Indian cooperative banking sector has slowed down and for a long time, there has been almost negligible recruitment. The recruitment of persons in cooperative banks assumes special importance because, apart from being competent on the special jobs, they must also be well versed in human dealings and public relations.

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