

## **“A comparative study of Recruitment & Selection, Training and Development policies in Indian MNCs and Foreign MNCs”**

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**Abstract:** This research paper deals with the comparative study of recruitment and selection, training and development process of INDIAN MNCs and FOREIGN MNCs. This research paper highlights the differences and similarities of the policies being followed in MNCs. In my last research paper being published earlier I highlighted the innovative HR practices of Foreign and Indian MNCs but in my this paper I am highlighting the comparative analysis of selected policies.

My research basically depends upon primary and secondary data collected from company employees, internet and online journals, research papers. Companies change their HR practices according to the culture and PEST environment of the countries in which they operate. Globalization is also an important driver in setting specific benchmarks for the hr policies being followed.

New concepts like E-HRM and HRMIT are developed to cope with the scenario in which company is operating(as all companies now want to move beyond boundaries). Basic aim of all the companies is to earn PROFIT but now the concept is little bit changed as HRM has taken an important place in working of all the companies may it be national or multinational.

Human resources are now considered as an ASSET instead of LIABILITY. As now companies are focusing on retaining talents instead of searching for low cost employees with lesser qualifications. Good Human resource management is now considered as one factor which adds competitive advantage to the company.

Department of HUMAN RESOURCE in all the companies is now in lime light instead of back seat and it is learnt that “HR cannot function in cabins”

Good human resource strategies and practices are the backbone of all the companies may be operating nationally or multinationally and good human resource management is the life blood of those companies.

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**Keywords:** Recruitment, Selection, Training, Development, Indian MNCs and Foreign MNCs

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### **I. Introduction:**

#### **Recruitment Policy**

Recruitment policy of any organization is derived from the personnel policy of the same organization. In other words the former is a part of the latter. However, recruitment policy by itself should take into consideration the government's reservation policy, policy regarding sons of soil, etc., personnel policies of other organizations regarding merit, internal sources, social responsibility in absorbing minority sections, women, etc. Recruitment policy should commit itself to the organisation's personnel policy like enriching the organisation's human resources or servicing the community by absorbing the retrenched or laid-off employees or casual/temporary employees or dependents of present/former employees, etc.

The following factors should be taken into consideration in formulating recruitment policy. They are:-

- Government policies
- Personnel policies of other competing organizations
- Organisation's personnel policies
- Recruitment sources
- Recruitment needs
- Recruitment cost
- Selection criteria and preference.

#### **IMPACT OF PERSONNEL POLICIES ON RECRUITMENT POLICIES**

Recruitment policies are mostly drawn from personnel policies of the organization. According to Dale Yodar and Paul D. Standohar, general personnel policies provide a wide variety of guidelines to be spelt out in

recruitment policy. After formulation of the recruitment policies, the management has to decide whether to centralize or decentralize the recruitment function.

## **SELECTION**

### **Introduction**

The size of the labour market, the image of the company, the place of posting, the nature of job, the compensation package and a host of other factors influence the manner of aspirants are likely to respond to the recruiting efforts of the company. Through the process of recruitment the company tries to locate prospective employees and encourages them to apply for vacancies at various levels. Recruiting, thus, provides a pool of applicants for selection.

### **Definition**

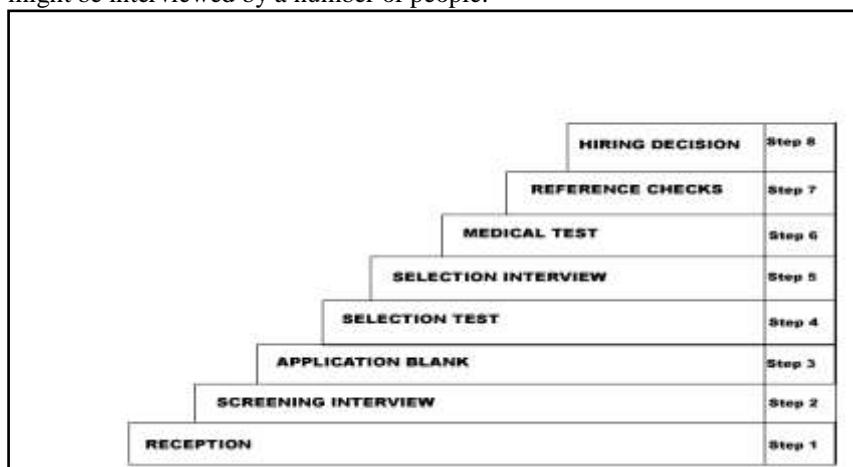
To select mean to choose. Selection is the process of picking individuals who have relevant qualifications to fill jobs in an organisation. The basic purpose is to choose the individual who can most successfully perform the job from the pool of qualified candidates.

### **Purpose**

The purpose of selection is to pick up the most suitable candidate who would meet the requirements of the job in an organisation best, to find out which job applicant will be successful, if hired. To meet this goal, the company obtains and assesses information about the applicants in terms of age, qualifications, skills, experience, etc. the needs of the job are matched with the profile of candidates. The most suitable person is then picked up after eliminating the unsuitable applicants through successive stages of selection process. How well an employee is matched to a job is very important because it is directly affects the amount and quality of employee's work. Any mismatched in this regard can cost an organisation a great deal of money, time and trouble, especially, in terms of training and operating costs. In course of time, the employee may find the job distasteful and leave in frustration. He may even circulate 'hot news' and juicy bits of negative information about the company, causing incalculable harm to the company in the long run. Effective selection, therefore, demands constant monitoring of the 'fit' between people the job.

### **The Process**

Selection is usually a series of hurdles or steps. Each one must be successfully cleared before the applicant proceeds to the next one. The time and emphasis placed on each step will definitely vary from one organisation to another and indeed, from job to job within the same organisation. The sequence of steps may also vary from job to job and organisation to organisation. For example some organisations may give more importance to testing while others give more emphasis to interviews and reference checks. Similarly a single brief selection interview might be enough for applicants for lower level positions, while applicants for managerial jobs might be interviewed by a number of people.



## **II. Reception**

A company is known by the people it employs. In order to attract people with talents, skills and experience a company has to create a favourable impression on the applicants' right from the stage of reception. Whoever meets the applicant initially should be tactful and able to extend help in a friendly and courteous way. Employment possibilities must be presented honestly and clearly. If no jobs are available at that point of time, the applicant may be asked to call back the personnel department after some time.

### **Screening Interview**

A preliminary interview is generally planned by large organisations to cut the cost of selection by allowing only eligible candidates to go through the further stages in selection. A junior executive from the Personnel Department may elicit responses from the applicants on important items determining the suitability of an applicant for a job such as age, education, experience, pay expectations, aptitude, location, choice etc. this ‘courtesy interview’ as it is often called helps the department screen out obvious misfits. If the department finds the candidate suitable, a prescribed application form is given to the applicants to fill and submit.

### **Application Blank**

Application blank or form is one of the most common methods used to collect information on the various aspects of the applicants' academic, social, demographic, work related background and references. It is a brief history sheet of employee's background, usually containing the following things:

- Personal data (address, sex, telephone number)
- Marital data
- Educational data
- Employment Experience
- Extra-curricular activities
- References and Recommendations

### **Usefulness of Application Blank or Form**

Application blank is highly useful selection tool, in that way it serves three important purposes:

1. It introduces the candidate to the company in a formal way.
2. It helps the company to have a cross-comparison of the applicants; the company can screen and reject candidates if they fail to meet the eligibility criteria at this stage itself.
3. It can serve as a basis to initiate a dialogue in the interview.

### **Selection Testing**

In this section let' examine the selection test or the employment test that attempts to asses intelligence, abilities, personality trait, performance simulation tests including work sampling and the tests administered at assessment centres- followed by a discussion about the polygraph test, graphology and integrity test.

A test is a standardized, objective measure of a person's behaviour, performance or attitude. It is standardised because the way the tests is carried out, the environment in which the test is administered and the way the individual scores are calculated- are uniformly applied. It is objective in that it tries to measure individual differences in a scientific way giving very little room for individual bias and interpretation. Over the years employment tests have not only gained importance but also a certain amount of inevitability in employment decisions. Since they try to objectively determine how well an applicant meets the job requirement, most companies do not hesitate to invest their time and money in selection testing in a big way. Some of the commonly used employment tests are:

- Intelligence tests
- Aptitude tests
- Personality tests
- Achievement tests
- Miscellaneous tests such as graphology, polygraphy and honesty tests.

### **Training and Development**

Every organization needs to have well trained and experienced people to perform the activities that have to be done. If the current or potential job occupant can meet this requirement training is not important but when that is not the case if it is necessary to raise the skills levels and increase the versatility and adaptability of employees. As the job becomes more complex, the important of employees development are not only an activity that□s desirable but also an activity that□s an organization must commit resources to if it is maintain a viable and knowledge work force.

You can have the grains, the greatest business model in the world and the best system, but id your people cant handle the growth, you will not find that they have got a good training program and it is a part of their culture.

Historically, training and development in many organizations have had relatively short term aim of enhancing current on the job performance with the important exception of succession planning arrangement for the potential senior managers of the future. More recently, however, changes in the product market environment, the introduction of new technology and changes in the organization characteristics have all had the effect of raising the profile of training and development in both the HRM literature and practice.

Training is always a means to an end and not an end to itself. Unless it leads to the effective performance of work it inevitably incurs a waste of valuable resources, these valuable resources are in terms of fundamental importance. In other words training improves, changes, moulds the employees knowledge skills behavior aptitude and attitude towards the requirement of the job and organization. Training refers to the teaching and learning activities carried on for the primary purpose of helping member of an organization, to acquire and apply the knowledge, skills, abilities and attitude needed by a particular job and organization.

Organization and individuals should develop and progress simultaneously for there survival and attainment of mutual goals. So every modern management has to develop the organization through human resource development. Employee training is the important sub- system of human resource development. Employee training is a specialized function and is one of the functional operative functions for human resource management.

## **MEANING**

After an employee is selected, placed and introduced he or she must be provided with training facilities. Training is the act of increasing the knowledge and skill of an employee doing a particular job. Training is short-term educational process and utilizing a systematic and organized procedure by which employee learns technical knowledge and skill for a definite purpose.

## **ACCORDING to DALE S. BEACH**

*"The organized procedure by which people learn knowledge and skills for a definite purpose"*

In other words training improves, changes moulds the employee's knowledge skill, behavior aptitude, and attitude towards the requirement of the job and organization. Training refers to the teaching and learning activities carried on for the primary purpose of helping members of an organization, to acquire and apply the knowledge, skills , abilities and attitudes needed by a particular job and organisation.

**T - Talent and tendency (strong and determined)**

**R - Reinforcement (something positive to be reinforced into memory and system again and again, until it becomes a spontaneous affair)**

**A - Awareness (with which one can easily take long strides progress)**

**I - Interest (which is invariably accompanied by excitement and enthusiasm)**

**N – Novelties (the new things, the like of which would sustain our interest and fill our heart with thrills and sensation)**

**I – Intensity (the training instilled into trainees mind must acquire experience oriented intensity)**

**N – Nurturing (it does refer to incessant nurturing of talent, which otherwise would remain latent and dormant)**

**G – Grip (a fine grip over the situation solve multiple problems and enables on to acquire a practical and programmatic approach along with all tricks and tactics to achieve success after success in ones endeavors )**

Thus training bridges the difference between job requirement and employees present specification.

The importance of human resource management to a large extent depends on human resource development. Training is the most important technique of human resource development. No organization can get candidates who exactly match with the job and the organizational requirements. Hence training is important to develop the employees and make him suitable to the job.

Job and organizational requirement are not static they are changed from time to time in view of technology advancement and change in the awareness of total quality and productivity management (TQPM) the objectives of the TQPM can be achieved only through training as training develops human skills and efficiency. Trained employees would be valuable assets to an organization. Organization efficiency, productivity, progress and development to a grater extent depend on training. Organization objective like viability, stability and growth can also be achieved through training. Training is important as it constitute significant part of management control.

## **BENEFITS OF TRAINING:**

For Organization:

- Leads to improved profitability and or more positive attitude towards profits orientation
- Improves the job knowledge and skills at all level of the organization
- Improves the morale of the workforce
- Helps people to identity the organizational goal
- Helps to create a better corporate image
- Faster authenticity, openness and trust

- Improves the relationship between boss and subordinate
- Aids in understanding and carrying out organizational policies

Benefit to individual:

- Helps the individual in making better decision and effective problem solving.
- Through training and development, motivational, variables of recognition, achievement, growth, responsibility and advancement and internalized and operationalised
- Aids in encouraging and achieving and self development and self confidence
- Helps to handle stress, tension, frustration and conflict
- Increase job satisfaction and recognition
- Move a person towards personnel goal and development of skills.

Benefits in personnel and human relationship:

- Improves communication between groups and individual.
- Aids in orientation for new employee and those taking new job through transfer and promotion.
- Improves interpersonal skills.
- Improves morale
- Builds cohesiveness
- Provide a good climate for learning growth and coordination
- Makes organization better place to work and live

Research objectives:

- To find out the satisfaction of the employees with the Recruitment & Selection and Training & Development programme.

To identify areas of improvement in design of Recruitment & Selection and Training & Development programme

### **III. Data Collection:**

#### **Primary Data:**

Primary data was collected through survey method by distributing questionnaires to the employees. The questionnaires were carefully designed by taking into account the parameters of my study. It includes both Indian as well as Foreign MNC's

#### **Secondary Data:**

Data was collected from books, magazines, web sites, going through the records of the organisation, etc. It is the data which has been collected by individual or someone else for the purpose of other than those of our particular research study. Or in other words we can say that secondary data is the data used previously for the analysis and the results are undertaken for the next process. The analysis is done of the data collected to know the current common and different HR practices of Indian MNCs and Foreign MNCs. The analysis required comprehensive research about the policies and procedures prevalent in the companies.

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**Firstly**, the data of about different HR policies and practices for Recruitment & Selection and Training & Development(of different MNCs) was collected from the findings of the Questionnaires and research papers, then the innovative HR practices were sorted out.

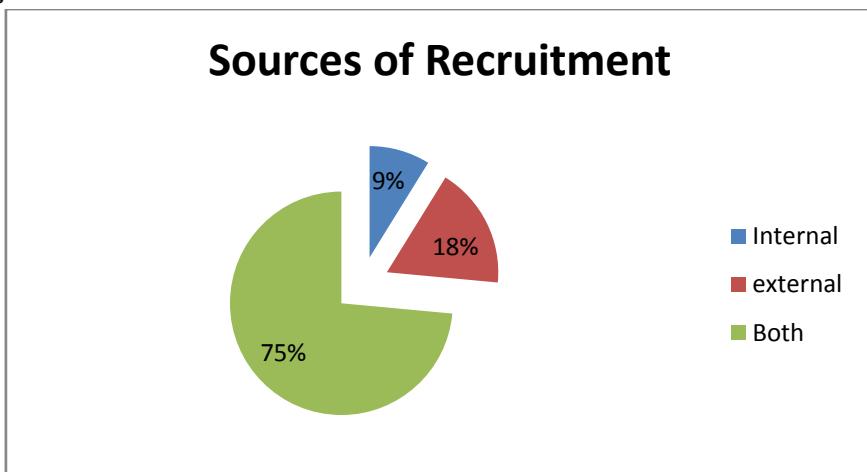
**Secondly**, HR practices of Indian and foreign MNCs were compared and then similar and different practices were extracted out(Analysis).

#### IV. Data Analysis

##### Recruitment and Selection

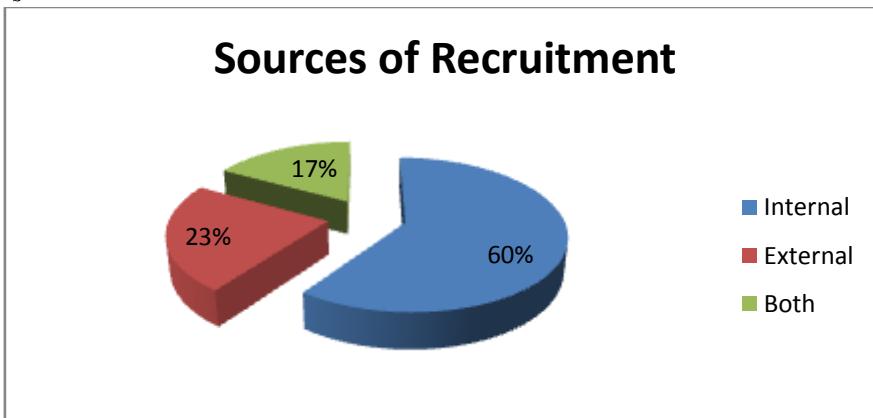
Q No. 1: What are the sources for recruitment and selection?

Indian MNC's



About 75% of the manager say that they prefer both internal as well as external source for recruitment and selection where as only 9% go for internal source and 18% go for external sources.

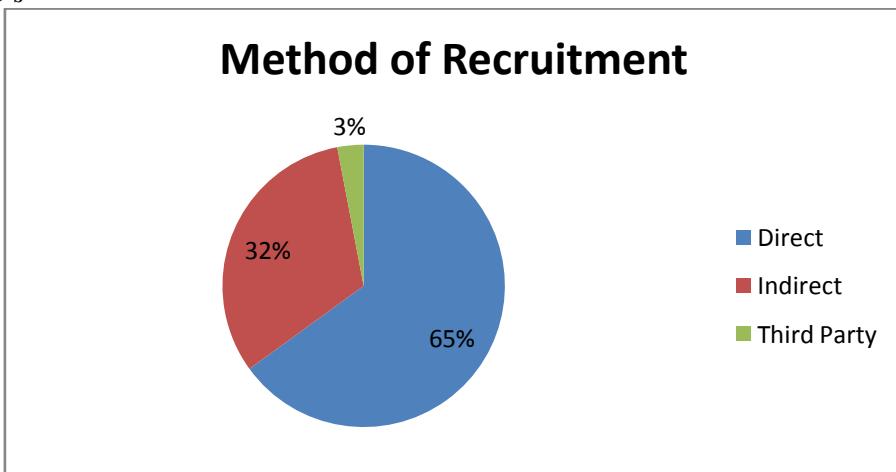
Foreign MNC's



About 17% of the manager say that they prefer both internal as well as external source for recruitment and selection where as only 60% go for internal source and 23% go for external sources.

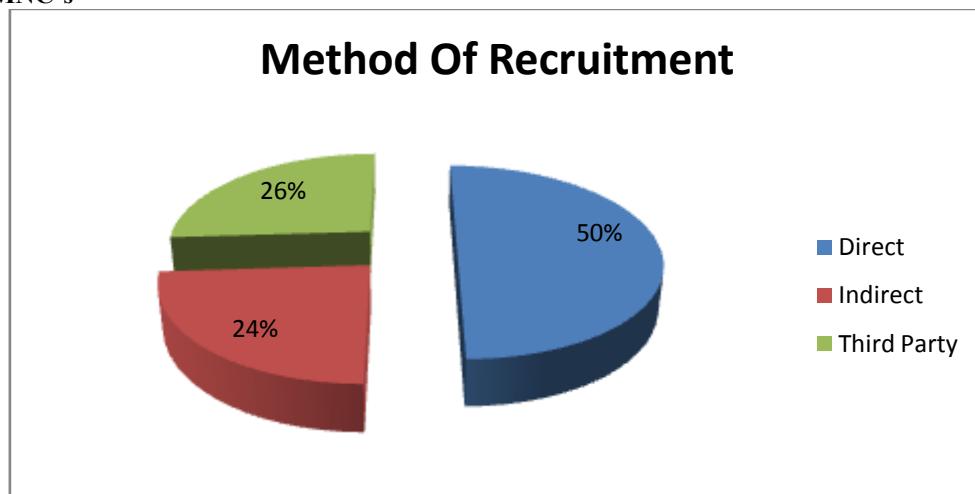
Question 2: Which method do you mostly prefer for recruitment and selection?

Indian MNC's



About 65% of the managers go for direct recruitment and selection and 32% go for indirect and only 3 % go for third party recruitment way.

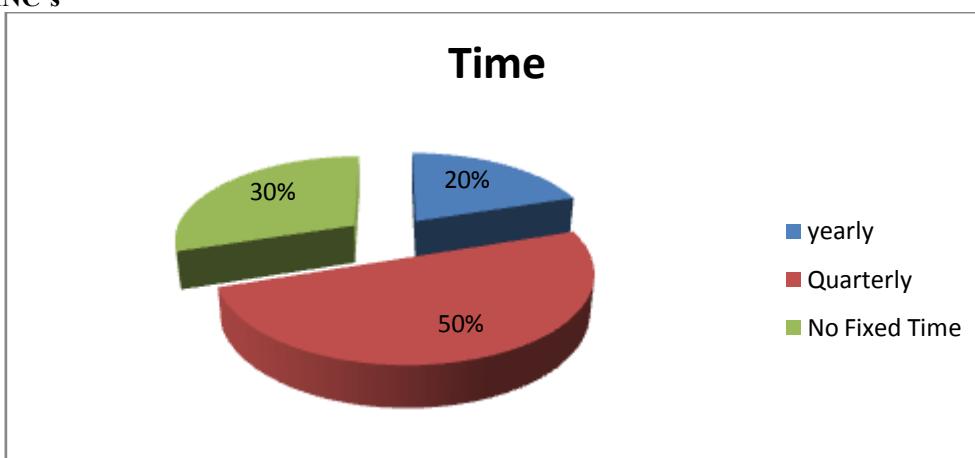
**Foreign MNC's**



About 50% of the managers go for direct recruitment and selection and 24% go for indirect and 26 % go for third party recruitment way.

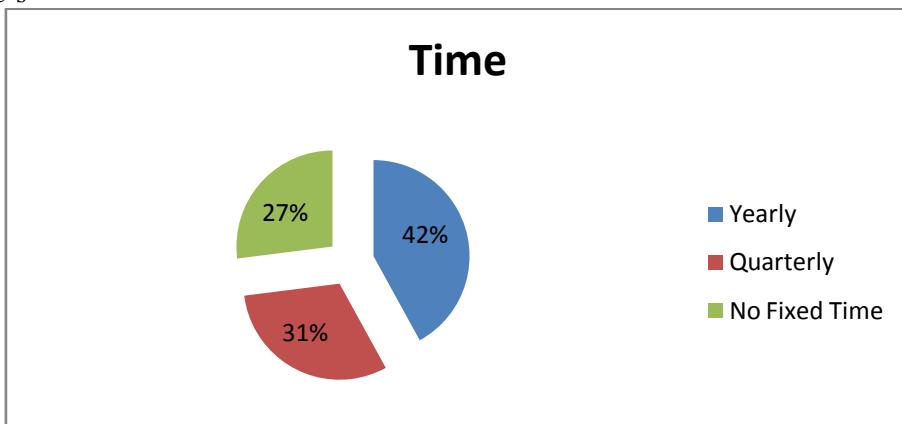
Question No. 3: When do you prefer to go for manpower planning?

**Indian MNC's**



Around 50% of the HR managers go for Quarterly manpower planning while 20 % do it on an annual basis. 30% of the managers do not follow any specific time pattern, they go for manpower planning whenever required.

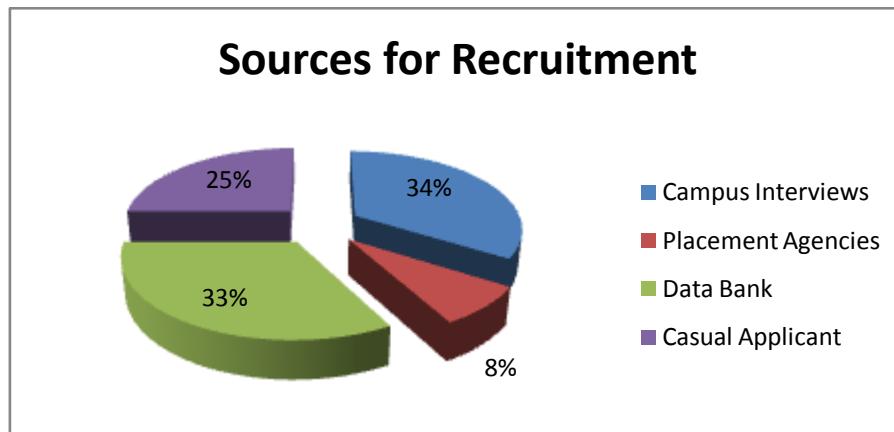
**Foreign MNC's**



Around 31% of the HR managers go for Quarterly manpower planning while 42 % do it on an annual basis. 27% of the managers do not follow any specific time pattern, they go for manpower planning whenever required.

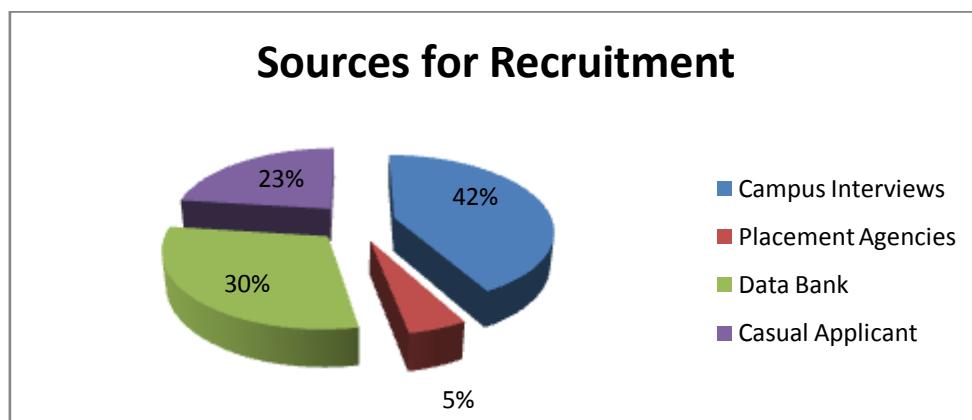
Question No. 4: What are the sources for external recruitment?

**Indian MNC**



In Indian MNC's 34% of manager go for campus interviews, 33% go for data bank, 25% from the casual application that are received and only 8% go for any placement agencies.

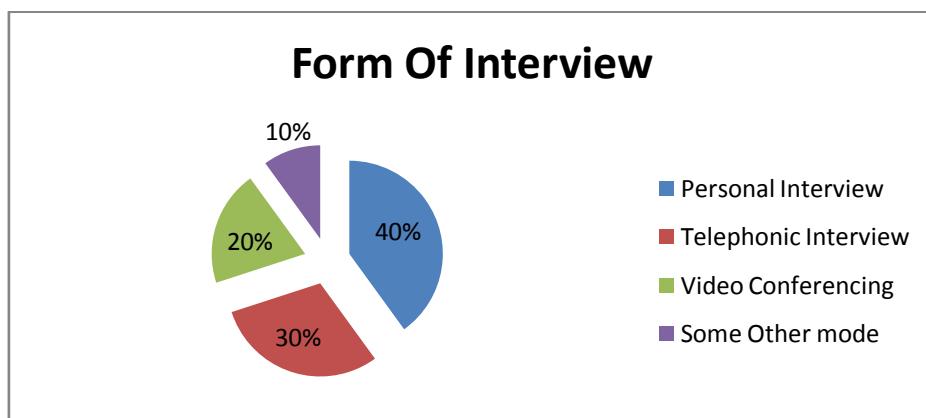
Foreign MNC's



In Foreign MNC's 42% of manager go for campus interviews, 30% go for data bank, 23% from the casual application that are received and only 5% go for any placement agencies.

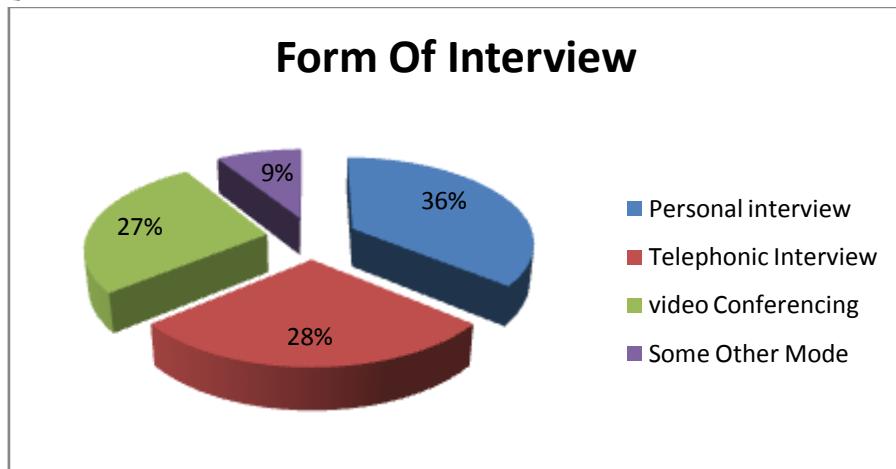
Question no. 5: What form of interview did you prefer?

Indian MNC's



Most of the manager prefer Personal interviews, 30% prefer to take telephonic interviews where as only 20% go for video conferencing and rest 10% adopt some other means of interviews.

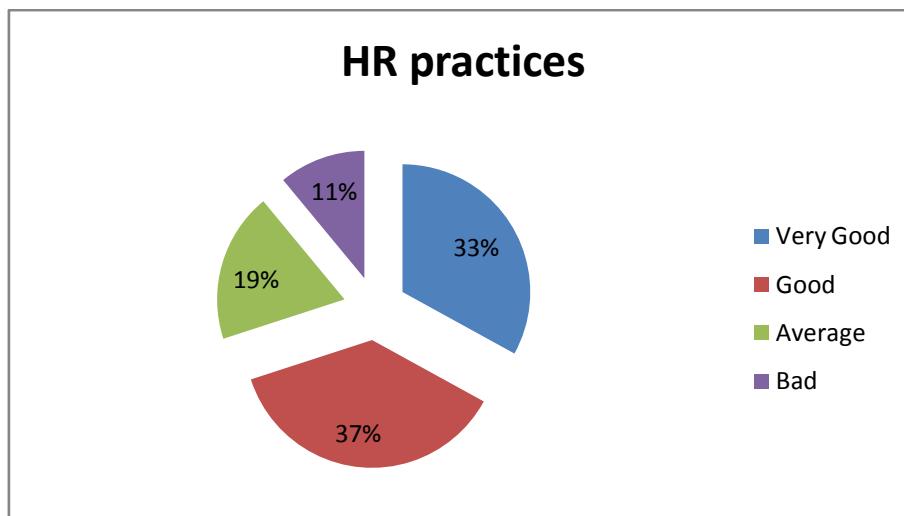
Foreign MNC's



About 36% of the manager prefer Personal interviews, 28% prefer to take telephonic interviews where as 27% go for video conferencing and rest 9% adopt some other means of interviews.

Question No. 6: How do you rate the HR practices of the company?

Indian MNC's



37% of the managers feel that HR department is good where and 33% say that its very good where as 19% says its average and only 11% manager feel its bad.

Foreign MNC's

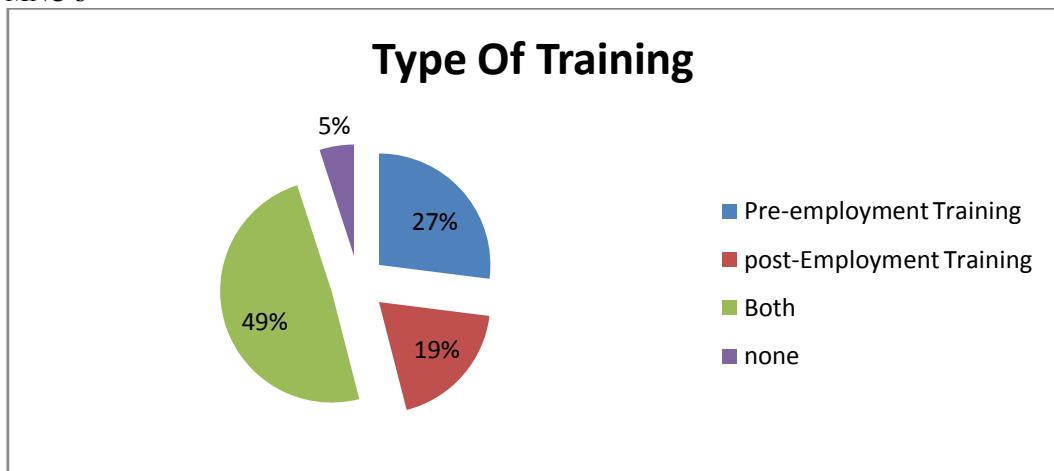


37% of the managers feel that HR department is good where and 42% say that its very good where as 18% says its average and only 3% manager feel its bad.

### **Training & Development Questionnaires:**

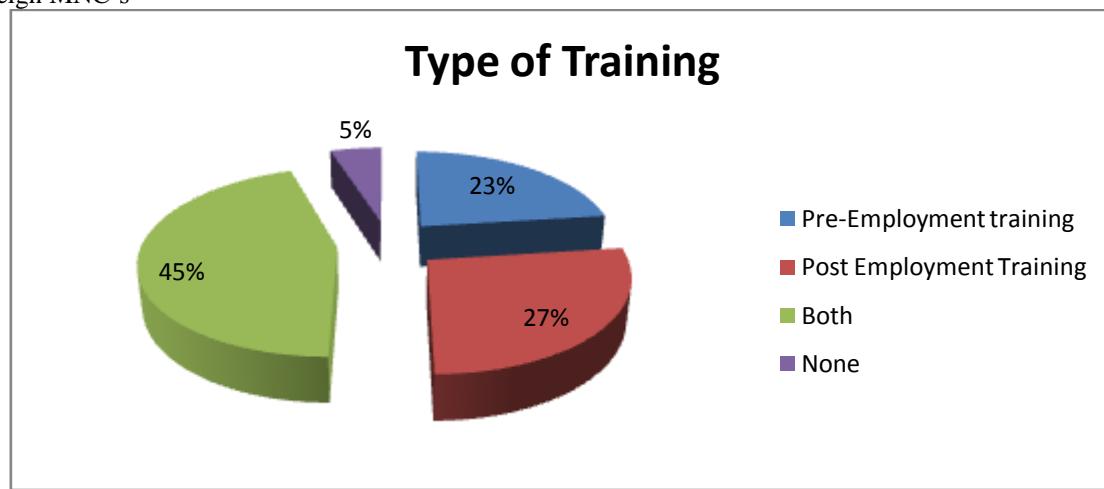
Which type of training have you attended?

Indian MNC's



In Indian MNC 27% of employee's have attended Pre- Placement training programme where as 19% have attended Post-employment programme and around 49% have gone for both of the training programme and only 5% have not attended any of the training programme

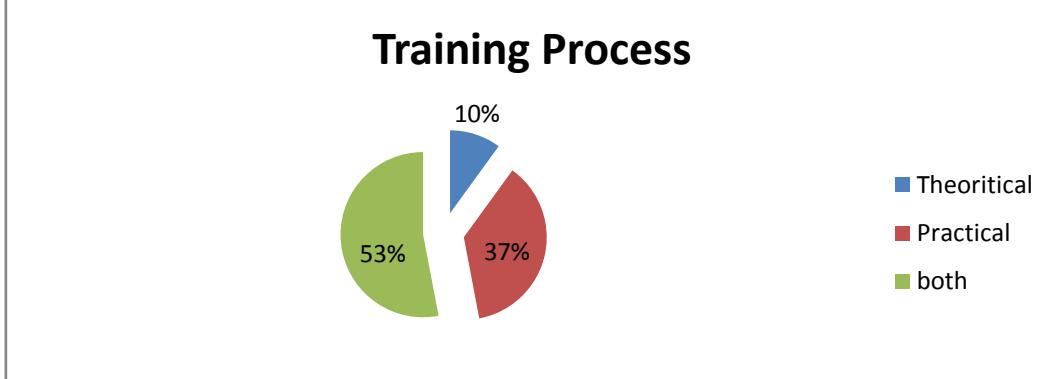
Foreign MNC's



In Foreign MNC's 23% of employees have attended Pre- Placement training programme where as 27% have attended Post-employment programme and around 45% have gone for both of the training programme and only 5% have not attended any of the training programme

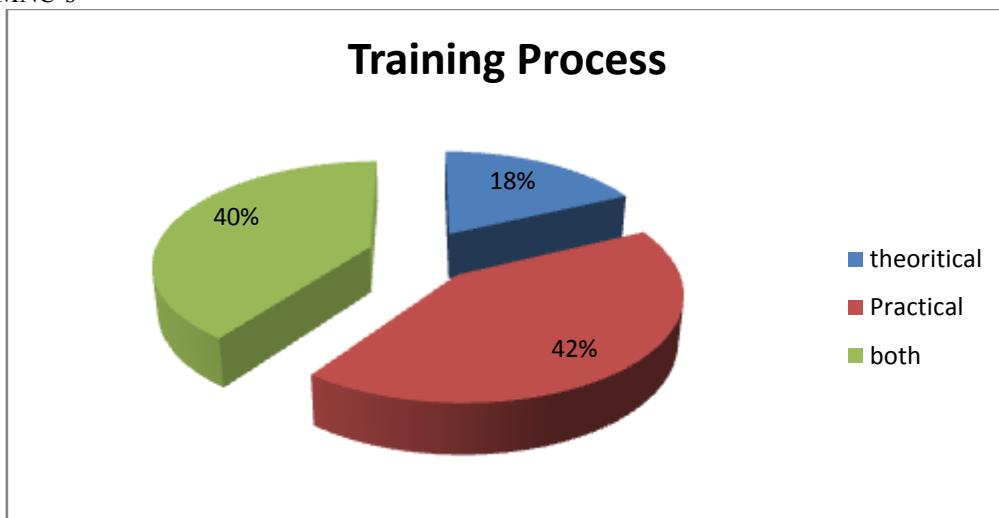
Process of training of the employees?

Indian MNC's



10% of employees say that the training program is theoretical, 37% say that it is practical where as 53% of employees say it both theoretical as well as practical.

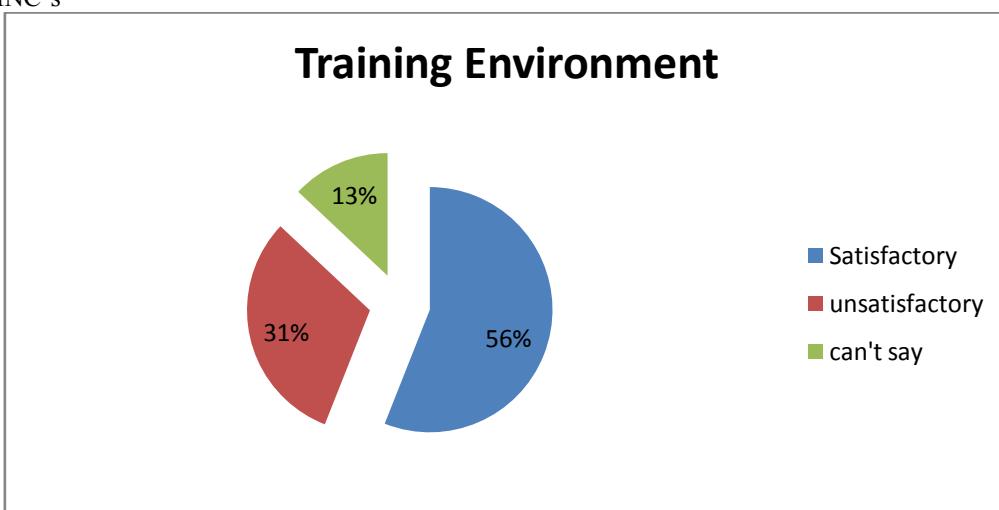
Foreign MNC's



18% of employees say that the training program is theoretical, 42% say that it is practical where as 40% of employees say it both theoretical as well as practical.

3: Training environment was?

Indian MNC's



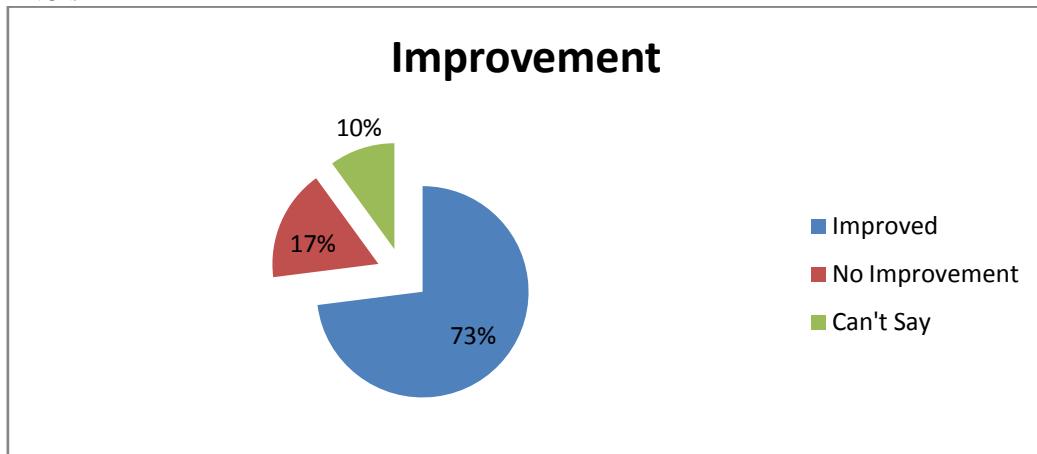
56% of employees of Indian MNC's are satisfied with the environment of the training programme where as only 31% are not satisfied and rest 13% of employees have not said anything.

Foreign MNC's



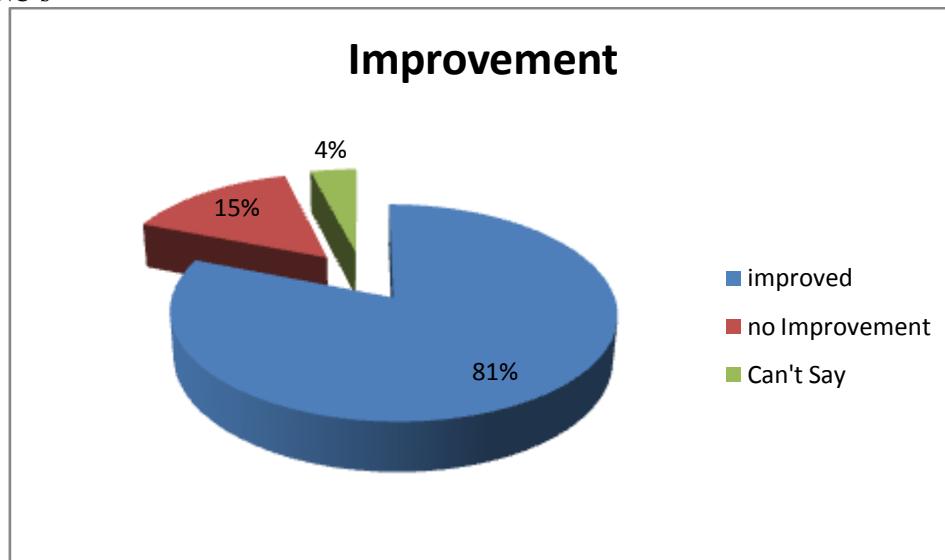
63% of employees of Foreign MNC's are satisfied with the environment of the training programme where as only 20% are not satisfied and rest 17% of employees have not said anything.

Has the training help to improve your on-the-job performance?  
Indian MNC's



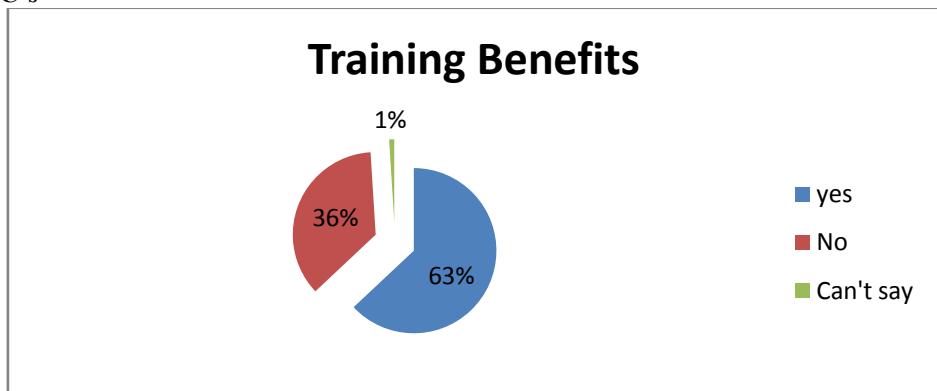
Around 73% of the employees feel that due to training there has been an improvement in their performance, where as only 17% have said that their was no improvement and rest 10% have not said anything.

Foreign MNC's



Around 81% of the employees feel that due to training there has been an improvement in their performance, where as only 15% have said that their was no improvement and rest 4% have not said anything.

**Do you accept the training will enhance your competency and knowledge?**  
Indian MNC's



3% of the employees feel that training enhances their competency and knowledge where only 36% say it does not.

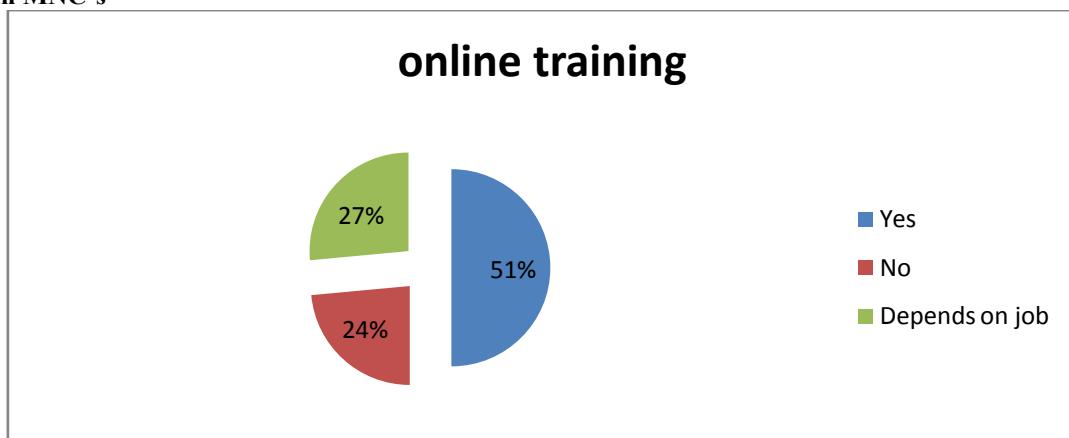
**Foreign MNC's**



82% of the employees feel that training enhances their competency and knowledge where only 12% say it does not.

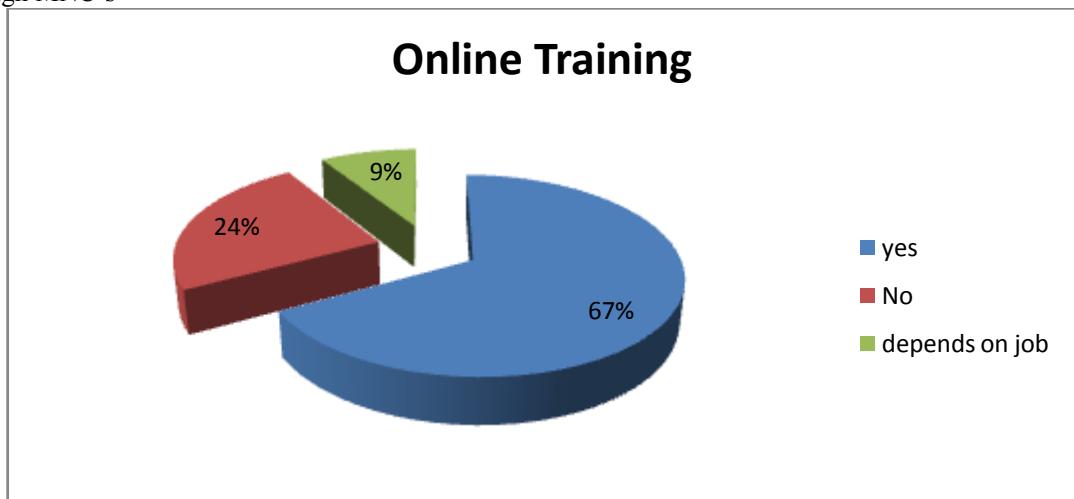
**Would you like to be trained online?**

**Indian MNC's**



Around 50% of the employees like to have on the job training and 23% like off the job where as the rest 27% say that it depends upon the job it is.

**Foreign MNC's**



Around 67% of the employees like to have on the job training and 24% like off the job where as the rest 9% say that it depends upon the job it is.

## **V. Findings**

In Indian MNC's most of the employees feel that the HR department is good. About 75% of the managers say that they prefer both internal as well as external source for recruitment and selection whereas in Foreign MNC's, only 17% managers prefer both internal as well as external source of recruitment and selection. In Indian MNC's about 65% of the mangers go for direct recruitment and selection and less number for mangers prefer indirect or third party. Whereas in Foreign MNC's 50%of the managers go for direct recruitment and selection. Mostly the manpower planning is done Quarterly and 30 % do not follow any pattern they don't have any fixed time. Whereas in Foreign companies, mostly the manpower planning is done annually and 27% do not follow any specific pattern. Companies prefers to go for campus interviews and even casual application that are received for recruitment but they hardly prefer placement agencies.

Most of the manager Prefer Personal interviews, 30% prefer to take telephonic interviews where as only 20% go for video conferencing and rest 10% adopt some other means of interviews whereas in Foreign MNC's,about 36% of the manager prefer Personal interviews, 28% prefer to take telephonic interviews where as 27% go for video conferencing and rest 9% adopt some other means of interviews.

In Indian Companies 27% of employees have attended Pre- Placement training programme where as 19% have attended Post-employment programme and around 49% have gone for both of the training programme and only 5% have not attended any of the training programme. Whereas in Foreign MNC's In Foreign MNC's, 23% of employees have attended Pre- Placement training programme where as 27% have attended Post-employment progamme and around 45% have gone for both of the training progamme and only 5% have not attended any of the training progamme

In Indian companies 53% of employees say it both theoretical as well as practical knowledge is being provided during the training, whereas in Foreign MNC's 40% of employees say it both theoretical as well as practical.

About 56% of employees of Indian companies are satisfied with the environment of the training programme where as only 31% are not satisfied and rest 13% of employees have not said anything. 63% of employees of Foreign MNC's are satisfied with the environment of the training programme where as only 20% are not satisfied and rest 17% of employees have not said anything. Whereas in Foreign MNC's around 81% of the employees feel that due to training there has been an improvement in their performance, where as only 15% have said that their was no improvement and rest 4% have not said anything.

Most of the employees feel that due to training there has been an improvement in their performance, where as only 17% have said that their was no improvement and rest 10% have not said anything. Majority of the employees feel that training enhances their competency and knowledge where as only 27% say it does not. 50% of the employees like to have on the job training and 23% like off the job where as the rest 27% say that it depends upon the job it is. Whereas in Foreign MNC's, around 81% of the employees feel that due to training there has been an improvement in their performance, where as only 15% have said that their was no improvement and rest 4% have not said anything.

## **VI. Conclusion**

This presents the summary of the study and survey done in relation to the Recruitment & Selection and Training & Development in Indian and Foreign MNC's. The conclusion is drawn from the study and survey of the company regarding the Recruitment & Selection and Training & Development process carried out there.

- The recruitment process to some extent is not done objectively and therefore lot of bias hampers the future of the employees. That is why the search or headhunt of people should be of those whose skill fits into the company's values.
- Most of the employees were satisfied but changes are required according to the changing scenario as recruitment process has a great impact on the working of the company as a fresh blood, new idea enters in the company.
- Selection process is good but it should also be modified according to the requirements and job profile so that main objective of selecting the candidate could be achieved.
- The training and development activities are needed in the organisation because mostly employees are interested to take training and development for future growth.
- Thus, it is clear that training and development activities are needed for employee's performance and organizational development.
- From the questionnaire found that mostly employees are young. Conclusion is that company should try to utilize workforce through training and development .as it's a good factor that work force was young.
- It clearly indicates that employees are interested in training & development activities; they feel that such types of activities are necessary for improving their performance and creating awareness among the employees.

- It is clear that both type of method on and off the job are used in company for training purpose. Conclusion is that company should used new methods for Training and development.
- Training and development programme should be made on actual needs of the employees and organization.
- Training and development programme should be review more frequently on timely basis.
- Training and development should make compulsory for new employee and old employee.

### **RECOMMENDATIONS**

- Manpower requirement for each department in the company is identified well in advance.
- If the manpower requirement is high and the recruitment team of the HR department alone cannot satisfy it, then help from the placement agencies is needed.
- Time management is very essential and it should not be ignored at any level of the process..
- The recruitment and selection through placement agencies as the last resort and is utilised only when need.
- The recruitment and selection procedure should not be lengthy and time consuming.
- The candidates called for interview should be allotted timings and it should not overlap with each other.
- In order to achieve excellence in training and development program, it is advisable to further improve the quality level of trainers that in turn will be beneficial for both employees and organizations.
- It is further advisable to make use of video conferencing, so that trainers from different cities can actually give their inputs to the employees of other cities.
- Quality of hand outs distributed can be given more consideration in order to increase the knowledge and conceptual clarity of employees.
- If it would be possible that people can be trained on the job then it should be done so that they could get a practical knowledge of that and time management could be done.
- The training programme should not be too lengthy as people can lose their interest.

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