

National University of Science & Technology
(HUMAN RESOURCE)

ASKARI COMMERCIAL BANK LIMITED

HUMAN RESOURCE PRACTICES

FOCUS ON SELECTION & RECRUITMENT

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I dedicate this study to my three small kids who let me (reluctantly) devote their precious time to this research paper. The research would not have been possible if these young, innocent and loving kids would not have pended their small wishes and desires temporarily to let me complete the work.

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EXECUTIVE SUMMARY

Economies and businesses, all over the world, are facing new trends of globalization and the free market economy. These trends have produced a compelling and comparative environment for Pakistan's public and private sector economies as well as for organizations.

The biggest challenges for the organizations are to meet the stakeholders need to remain competitive. The organizations are competing not only for the organizational resources but for the human resources as well, they strive to attract the skilled labor, which could ensure the high quality of product, and services thus become in a better position to satisfy the customer needs. The traditional bureaucratic systems are replaced by more decentralized setups where employees are given authority to respond quickly to the problems as they emerged in the work place.

My personal observation is that the HR Departments in our organizations are still suffering from "boss-subordinate" and "senior-junior" psyche that is detrimental to growth and expansion. Pakistan's economy needs quick responses to the new emerging global challenges and speed up its pace of economic and business activities.

The job of any HR Department in an organization is to ensure that it has the right amount and right kind of people to deliver a particular level of output or services in future. This is done through Human Resource Planning; attain long-range revenue goals and plans of an organization applying different types of strategies. These goals are achieved by assessing the current situation of existing employees inventory positions, vacant/open positions and forecasting of human resources need (types of employees nature and types of positions).

Human Resource Management is one key area that can help an organizations achieve its goals and meet global challenges. The concept of HRM was in its



formative phase in Pakistan in the early eighties. With the advent of Multinational Companies, the national businesses had no choice but to introduce the concept of HRM. This process of adoption attained more attention in the nineties. Now businesses, small and large, seem inclined to introduce the HRM to manage their work force efficiently.

ACBL is one of the relatively new but rapidly growing commercial Bank in Pakistan. Like all modern business organizations, this Bank attaches immense importance to its HR function. The HR Department of the Bank is a professionally managed segment staffed by 25 functionaries. The immense value attached by the Bank to its employees is reflected by its stated set of values, according to which the Bank considers its employees as most valuable assets. The HR policy of the Bank focuses on multi-talent hiring, professional grooming, requisite training and meritocracy based reward system. The Bank also claims to lay great emphasis on nurturing a distinct culture, cohesive teamwork, and training and realistic performance management

In the research paper, the two Human Resource practices, “**Recruitment and Selection**” have been explained in detail. The comparison between the practices of the few multinational organizations and high quality Banks tells that there are large variations in such practices of certain organizations and Banks. Therefore, the study describes the recruitment and selection methods along with the recommendations for further improving such practices in Askari Commercial Bank Limited to attract the best people from the market and develop long-term employee relationship.

In today’s competitive environment when employees have all the avenues of advancement open to them the success of the Bank or any organization is to attract the best talent and then retain it. Retention is cheaper than attracting the new and developing it to the required culture.



SECTION -1

PROPOSAL

INTRODUCTION:

In a global business arena companies that organize and manage people with strategic precision have a distinct advantage. They are better able to seize new opportunities, adapt quickly to changing conditions and deploy in house talent to maximum effect. There has been a noticeable increase in the number of companies that are developing HR strategies. Corporate alignment is the conscious and systematic coordination and alignment of organization strategy, culture and structure so that all contribute as efficiently and effectively as possible to achieve organizational survival and success. It operates at both the strategic and the operational level.

Successful employers create the infrastructure to not only recruit superior talent but to develop and train these resources. This infrastructure must allow a proactive response to a changing business strategy. When the compensation system, performance management strategies, recruitment practices, retention philosophy and employee development initiatives work in harmony with changing business objectives, profit improves.

Today one of the biggest challenges for the companies is to meet the stakeholders need to remain competitive. The organizations are competing not only for the organizational resources but for the human resources as well, they strive to attract the skilled labor, which could ensure the high quality of product, and services thus become in a better position to satisfy the customer needs. The traditional bureaucratic systems are replaced by more decentralized setups where employees are given authority to respond quickly to the problems as they emerged in the work place.



Employees are now becoming the most important assets of the company as a result the, trend is towards investment in selection and recruitment of the best talent from the market at any cost and then their training and development, which leads to, enhanced skills and more productivity. Now the retention of a well-recruited and trained employee is given more preference over recruiting a raw employee. Therefore the benefits of the employees ensure long-term relation with the employees.

In global Banking organizations the firms tended to have formal systems for recruitment supported by HR specialists. In the wholesale/investment-Banking sub-sector and in the London Insurance market, managers sought candidates (and teams) for selection on their track record and likely ability to fit the existing team/structure. They differed, though, in their valuation and requirement for qualifications.

The job of any HR Department in an organization is to ensure that it has the right amount and right kind of people to deliver a particular level of output or services in future. This is done through Human resource planning; attain long-range revenue goals and plans of an organization applying different types of strategies. The goals are achieved by assessing the current situation of existing employees inventory positions at all levels, and forecasting of human resources needs for future business plans and strategies.

Human Resource Management is one key area that can help an organizations achieve its goals and meet global challenges. The concept of HRM was in its formative phase in Pakistan in the early eighties and in small businesses, it was almost nonexistent. With the advent of Multinational Companies, the national businesses had no choice but to introduce the concept of HRM. This process of adoption attained more attention in the nineties. Now businesses, small and large, seem inclined to introduce the HRM to manage their work force efficiently. This transformation from old and rigid administrative structure to the new HRM techniques also requires a change in our minds; otherwise, it would simply be an adoption of modern connotation and nothing else.



In the Research Paper, the Human Resource practices, “**Recruitment and Selection**” have been explained in detail. The comparison between the practices of the major organizations both in Banking and other businesses will indicate the variations in such practices of certain organizations to allow us to find the best and well tested practices. Therefore, the research revolves around the analysis of mainly the **Recruitment and Selection** methods with a view to recommending the best practices for further improvement in **Askari Commercial Bank Limited**.

OBJECTIVES:

In the research paper an emphasis has been directed towards the following objectives: -

- Analyze the current HR practices in the Banking sector.
- Draw comparison between HR practices of different Banks and organization.
- Suggest best HR practices more precisely the Selection and Recruitment policy for the Askari Commercial Bank.

METHODOLOGY:

- Collection of data from different sources.
- Research form different articles and books on HR practices.
- Interview of executives from Banks and lower level employees.
- Visit to various domestic and international Banks.
- Observations as result of personal experience of the Bank services.
- Various web sources.

SCOPE:

- Askari Commercial Bank Limited.
- Few domestic and international organizations

CONCLUSIONS AND RECOMMENDATIONS



SECTION -2 LITERATURE REVIEW

HUMAN RESOURCE MANAGEMENT

General:

Human resource Management refers to policies, practices, and systems that influence employees' behavior, attitudes and performance. Human resource management includes Human Resource Planning, recruiting, selection, training and development, compensation, performance management and employee development. Effective human resource practices relate to company performance by contributing to employee and customer satisfaction, innovation, productivity, and development of a favorable reputation of the firm in the industry.

GLOBAL PERSPECTIVE

HUMAN RESOURCE MANAGEMENT IN EUROPE:

Skill Needs Analysis:

Banking firms were easily able to identify their critical skill needs. However, because of the fast changing nature of competition and technology, firms were unable to produce detailed business strategies much beyond 2-3 years. In all cases, when management was formulating its business strategy, skill implications were a secondary consideration, and skills were merely one of several resources brought into the equation. The nature of these skills, however, is well known in Banking. In the wholesale/investment-Banking sub-sector, the main problem is predicting volume and timing, as markets experience sudden volatility. In the retail service sub-sector, the main problem is predicting volume and timing because of uncertainty about uptake of technology and consequent strategies for delivery capacity adjustments.



Role of Economy:

Since demand for products and services is largely a function of economic activity, where this changes, so too does the profile of the business. The continuing strong performance of the US and UK economies means that demand for products/services is in general currently high. In the Banking cases, recruitment was linked to business growth although, in call centers, recruitment was also linked with high staff turnover. Skill shortages were found in specific areas, such as complex sales and trading functions, asset management, and investment advice for certain industries such as media and telecommunications.

Recruitment For Skill Deficiencies:

These shortages arise when there are relatively few people with these skills in the market, and this coincides with 'hot' markets of peak activity. Skills can prove problematic to recruit when, for example, firms are unwilling to train and are seeking large numbers from the market (such as regulated sales staff), or when firms are not located in financial clusters and people are reluctant to move outside the job market in London or the other large financial centers.

Companies have developed a range of solutions to deal with recruitment difficulties, the most important of which are:

- Improving school/university links
- Taking advantage of other firms downsizing
- Using contractor and temporary staff
- Outsourcing
- Relocating
- Changing person specifications
- Increasing the search area

There is a general broadening of skills and improvement in the skills-base. In wholesale/investment Banking, the overall trend is towards rising skill levels, but in retail Banking and financial services, there is a mixture of reconfiguring skills, rising skill levels, skill obsolescence, and cultural change. As a result, because of technological and competitive change, skill gaps are prevalent. Strategies to address skill gaps take three forms - upgrading skills, organizational solutions, and strategic responses.



Strategic Responses:

Strategic responses are a way of circumventing the problem, rather than dealing with it directly. Sometimes this is a form of avoidance and pushing responsibility elsewhere; in other cases, it involves specialization within the market. Skill gaps are thus found within all the case companies, as staff absorbs changes wrought during the implementation of business strategies, and develop new skills and attitudes required. Training to facilitate this process is provided, but there is a move towards increased facilitation of learning ‘on-the-job’ through coaching and intranet usage, rather than sending people on training courses. Strong management skills are needed to ensure coaching takes place because, with the removal of management layers and consequent organizational flattening, spans of control have widened.

Assessment of Required Skills:

In majority of the cases companies in the Banking and finance sub-sectors have a clear understanding of what is required to compete successfully. Their detailing of critical financial functions and changes in skill needs for delivering business strategies in these areas suggests an appropriate level of awareness of skill requirements. Companies also recognize skill gaps and are taking substantial measures to address them. Recruitment difficulties, where they exist, tend to be due to currently high levels of activity driven by positive economic conditions. In both the Banking and finance sub-sectors and the London Insurance market, a large pool of skills has been created through restructuring by mergers and acquisitions or downsizing. Firms are drawing on this. The picture of a keen awareness of skill needs in the Banking and finance sub-sectors is substantially different to that found in the London Insurance market, where the recognition of skill sets and the acceptance of the value of skills is a fairly new phenomenon.

Technological Implications:

Although not yet sophisticated in either, steady progress is being made, driven by the Corporation and an improved regulatory environment. Evidence of unrecognized skill deficiencies and performance difficulties (where they exist), resulting from skill problems or unsuitable skill strategies, is reported for each case. In the retail Banking and finance sub-sector, performance is keenly influenced by the quality of the technology supporting



the product/service offering. If this is inadequate it may be due to a skills deficiency, on the part of senior management, in failing to recognize/ invest in the necessary technology, in which case, this may be interpreted as a latent skill deficiency. In such a case, if this were remedied, it would have impacts on skill requirements in various other jobs.

In the retail Banking and finance sub-sectors, it is likely that continuing technological developments will lead to future skill deficiencies, as volume and timing of skill needs will only become apparent when delivery capacity requirements become clear. The implications are that companies (and individuals) will need to identify this early, and respond quickly and flexibly. Strategic skills to gain and analyze information will be important. HR processes can support business development, but need regular evaluation to ensure their relevance to strategy implementation.

Management Role:

Strong management skills can also help drive implementation and companies who develop change management capabilities will hold an advantage. Generally, however, the study supports the findings of Hasluck (1999). Companies in the Banking and finance sub-sectors provided little evidence of significant skill gaps. Rather, they often resulted from other (external) factors, in the form of recruitment difficulties. Within the London Insurance market, however, there is a significant latent skill deficiency in two areas. The first is a failure to perceive that e-based trading will demand new skill-sets, or new mixes of existing skills. The second lies in the field of knowledge management where, as the market moves to electronic trading, informal knowledge development and dissemination between brokers and underwriters will disappear, with nothing to replace it as yet.

The options for cost reduction are relocation to a lower labor cost area (with the UK seen as a high cost area), or further automation. The latter solution requires a very high level of IT skills, which, however, are thought to be in short supply. A second area is in mainstream investment Banking. Moving up the value chain involves moving into more labor-intensive relationship areas, where the expertise, quality and experience of staff is very important. These are areas where there is intense Competition in the London market for staff.



HUMAN RESOURCE MANAGEMENT IN ASIA:

¹Traditional HRM System

In Asian countries, three ‘pillars’ have been identified as the foundation of the traditional HRM model, namely long-term employment (i.e. lifetime employment), seniority salary and enterprise labor unions (Sano, 1995; Hazama, 1997). The management pattern has been defined as paternalist where employers are related to employees as ‘parents’ and the company is seen as a ‘family’.

However, such neo-Confucian virtue-oriented HRM practices did not come automatically without struggle in the post-war. In the 1950s and early 1960s, the labor movement was active and it was only through the struggle of labor unions and compromise from the government and employers that the so-called ‘three pillars’ of HR model (employment security, seniority wage systems, and enterprise labor unions) were established.

Not only were these fundamental issues HRM gradually developed, but also other related unique characteristics in the areas of recruitment, training and development, group-based activities (including decision making, quality control and incentives), and other management practices such as just- in-time (JIT) and total quality management (TQM) were also being adopted (Sako and Sato, 1997).

Philosophy of Collectivism:

In the Asian region the philosophy of collectivism is found in terms of group-oriented approach. Group-based activities including teamwork and decision- making, quality control and incentives are common managerial practices. Decisions are group-based. Employees' participation and reaching consensus are important steps in the decision-making process. It may take time to make the final decision but implementation can then be quick and smooth due to the better understanding of particular decision among employees. Total quality management (TQM) and quality control circles (QCC) are practices based on the philosophy of collectivism. QCC usually involve seven or eight

¹ <http://www.skillsbase.dfes.gov.uk/downloads/SKT32.pdf>



workers from the same work unit, and aim not just at the satisfactory execution of duties assigned to the unit, but also at the improvement (*Kaizen*) of productivity, product quality and work environment (Watanabe, 2000: 314)

Another group-based activity relates to the payment of bonuses. A bonus is usually considered as a specific individual incentive. But in some organization the bonus computation does not reflect a large degree of influence by personnel evaluation, but organizational performance (Hart and Kawasaki, 1999). It is usually paid twice a year and equivalent to three to five months' salary (Sano, 1995). In fact, this shows that even in the incentive scheme, a collective orientation is still fundamental. Because of economic recession, global competition and consequently foreign influence (American influence in particular), the pressures on reforming human resource management system have built up (Blomstrom *et al*, 2001).

Initiatives In Human Resource Management:

Recruitment:

Most companies currently adopt two ways of recruitment. One is the traditional way of recruiting graduates from colleges and universities. Another is a relatively new way of recruiting mid-career professionals and technicians.

Job Allocation:

It becomes more skill- and task-oriented allocation compared with the traditional general-duty oriented allocation.

Compensation:

It is the major area of reform among majority enterprises. Companies use different methods to implement compensation policy with a similar goal that is to promote and reward people who make contribution to their organization (Sano, 1997). The seniority-based pay system has been gradually replaced by performance-based and skill/knowledge-based pay system.

Promotion:

There is a gradual change of the promotion scheme from the traditional age/seniority-oriented promotion system to more capability/leadership-oriented promotion system. Promotion is also linked with annual appraisal and compensation scheme.



Employees' Participation:

Some companies have a well-established participation scheme, such as information sharing, suggestions scheme, and complaint system. However, financial participation (e.g. profit sharing or employee stock ownership) is still limited.

The general direction of the changes has been away from 'traditional' HRM paradigm to Western flexible and competitive-oriented paradigm (issues include recruitment, job allocation, remuneration, labor mobility, the role of HR manager and unions). The change in remuneration systems was to de-emphasize seniority, while increasing the importance of performance. The larger number of workers employed in the company, the more likely HRM adjustments will be implemented.

The issues include recruitment, job allocation (including multi-task), remuneration, the role of HR manager, the satisfaction and concerns of employees, the mobility of employees both internally and externally, and the new initiatives and role of unions.

²Most major financial institutions are restructuring globally, due to the significant decline in the profits and pessimistic business prospects, and professionals at these firms in Tokyo are receiving strong pressure on profits from their head offices. We feel that this move is basically fair, but that too much pressure and inappropriate reactions to the market would cause serious problems in light of foreign firms commitment to this market. As is the case with Japanese financial institutions, many of the problems faced by foreign firms are structural.

Organizational Restructuring:

Some foreign financial institutions have cut jobs among young staff under their personnel-restructuring program. Many of these young victims had been engaged in the financial services industry only for two or three years after university graduation. They

² <http://www.headsjapan.com/en/marketreport/top.html>



visit our offices for help in finding new jobs, but do not have any specialties or areas of expertise to offer. They complain to us that senior managers protect each other by cutting young staff, in order to meet head office orders to decrease headcount. This is a clear case of poor management, and takes place particularly at foreign firms where young professionals hold senior management positions. They do not understand that they will have great problems in recruiting best quality graduates when their business rebounds. This situation supports the blame cast often by executive officers of Japanese Banks that professionals of foreign financial institutions may be good at making money, but are poor at managing offices.

Another major change occurring at foreign financial institutions is in their practice of putting young professionals in the 30s or early 40s in the top management positions of their Tokyo offices. In most cases, such young professionals come into a senior management role as a result of their large profitability, though huge differences exist between the ability to make money and the ability to manage effectively. Management skills are not as easy to learn as studying option theories or creating complicated financial structures, and to develop the skills requires years of experience.

HUMAN RESOURCE MANAGEMENT IN KOREA:

While Korea shows miraculous economic growth, it failed to significant progress in human resource management. HRM in 1960s and 1970s was traditional HRM in the primary stage of striving for economic growth through modernization based on traditional socio cultural values permeating society. Though the 1980s witnessed increasing efforts to adopt Western HRM as rapid growth and globalization occurred, traditional HRM was still the dominant management style at that time. Korean companies up to this time considered low wages to be the major business strategy for cost reduction and did not realize the need for Human Resource Development. Even though the steep increase in wages after the 1987 democratization was an unsatisfactory one for the employees, the increased wage level was high enough to adversely affect the companies' competitiveness and consequently called for a change in the system under the name of 'New HRM'



As foreign, especially Western (American) HRM spread in the 1990s., a clash with modern HRM occurred, bringing about a period of chaos due to lack of common standard. In the early 1990s, many companies adopted result based performance appraisal system, ability and performance based payment and incentive systems, team basis slim organizations, recruiting and promotion irrespective of the academic background and strengthening the specialist training and management education programs, all under the name of 'New HRM'.

The New Korean HRM

Stage I : 1990-94

After the Korean Government's declaration of Democratization on June 29, 1987, labor disputes that bordered on violent illegal strikes spread like wildfire in all the industries throughout the nation and kept HRM in most Korean Companies from changing to meet the various needs of employees. The need for a new pay system arose, as well as the need for the change from seniority based to ability based pay system.

Stage II: 1994-97

This stage is when the HRM in Korea enters a new phase, for most companies adopted the New HRM as if in competition and introduced the ability based HRM. This was aimed at proving the past seniority based system was inefficient without a proper evaluation. Even though the New HRM system boasted that it was based on ability, academic background and seniority could not be ignored in reality. The seniority-based HRM system once again become common and the Korean Companies faced confusion in introducing New HRM in the companies.

Stage III: 1998-99

Due to IMF, HRM in Korean companies lost sight of its way and faced massive unemployment caused by early retirement and restructuring. Some companies were forced to accept the *yonbongjae*, i.e. annual salary system intended to simplify the complicated pay structure and set employee compensation on the basis of job related skills and performance. HRM in Korean companies become a complex mix of various systems and forms based on customs and the national HRM system of the advanced countries. Korean companies at present are still without a clear comprehensive HRM.



HRM In The 21st Century:

The biggest *chaebols* in Korea (Hyundai, Samsung and LG) have adopted the stock option system since year 2000. Automatic promotions based on seniority or the 'same grade, same pay' principles have been transformed into a performance-based system. The reason the big companies want to adopt the stock option system is partially because they would like to raise the efficiency level, but more importantly because they found it imperative to stop the brain drain prevalent at present.

LG Group began to offer, along with stock options, new incentives such as a signing bonus, a special bonus, and a digital bonus from 2000. When the much needed quality human resource joined the company, the company pays a lump-sum signing bonus that has no upper limit, a special bonus that reflects the performance, a digital incentive they pays out 100 million won (US\$ 87,000) in one payment to the best performer, and a refresh vacation that offers extra vacation time, also to the best performer. Based on work performance, there is a difference not only in promotion and pay, but also in vacation.

The transformation of Korean HRM System is a result of the simultaneous impact of two forces; the foreign currency crisis and the digital revolution. The former has forced Korean companies to pursue a global standard whereas the latter has called for a fundamental restructuring in the HRM system. The transformation process shows that the importance of human resources as the core success factor of the organization is as last being realized by the Korean companies. If such a transformation in HRM systems occurs, Korean HRM will no longer follow the economic growth as it did in the past but will be an engine for growth for the Korean economy and the companies.

HUMAN RESOURCE MANAGEMENT IN JAPAN:

Toyota Motors Corporation, a Japanese company established in 1937 having worth of \$30 Billion has indeed developed one of the best and most admired Human Resource strategies that fitted the parameters of the Japanese Management style or what later came to be know as 'The Toyota Style'. The Human Resource (HR) was to be comprehensive enough to take care of a whopping 215,650 consolidated employees worldwide and an



additional 66,000 non-consolidated in order to maintain the trend of growth, which was responsible for an astounding \$103 Billion for 2001 alone.

Growth Attributed to HRM

Toyota has witnessed impressive progress in terms of over growth and also in sectors of core competence against its major competitors 'General Motors'. Together Toyota and GM have a worldwide share of 30 percent in the automobile industry. Basically a manufacturer and seller of transportation equipment and vehicles Toyota is also involved in information processing and telecommunications. With about 590,000 vehicles produced, about 60% are for domestic market. Toyota has recorded a growth of about 35% in the worldwide sales overall. All this had become possible due to their 154 consolidated companies worldwide with over 49,500 consolidated employees in the world wide firms. Central and South America being the largest with 44 consolidated firms with production bases and North America being the smallest with 4 firms.

“THE TOYOTA WAY”-HRM

Toyota basically has pioneered the Kaizen system of management practice, which places the employees at the apex, treating them as assets of the organization and ensures provision of the best of the environment and growth opportunities that would ensure the organization with higher growth. Here is how Toyota evolved a comprehensive Human Management strategy in a sequential way:-

Phase-1:

From the year 1957, Toyota only produced domestically and exported. Toyota's Human Resource policy was just to employ excellent local staff and utilize them to the best.

Phase-2:

A growth in overseas production occurred between 1984- 88. In this duration Toyota developed in house strategies in HR development with the Toyota training system, which focused on skill building of Toyota production system.



Phase-3:

Between 1996-1998, Toyota established the regional headquarters. The automobile industry underwent a drastic change. Hence the changes in external environment prompted Toyota to change some of its HR practices. Toyota promoted the sharing of management philosophy and values. Human Resources were developed that enabled Toyota managers to actively participate globally. What later evolved was the Human Resource Management- The Toyota Way, which laid importance to aspects such as continuous learning and improvement, long-term vision, meeting challenges with courage and creativity, innovation, respect and teamwork.

HRM AND BUSINESS STRATEGY

Over the last two decades there has been a profound shift in thinking about the role that people play in the success of the business, with a growing view that the management of people is a key organizational capability and one, which should be highly integrated with the strategic aims of the business.

A cornerstone of this notion of strategic human resource management is the creation of the linkage or integration between the overall strategic aims of the business and the human resource strategy and implementation. The strategic approach to human resource management emphasizes the delivery of business strategy and the impact on bottom line performance through the way in which people are managed.

Integration of Strategies:

Integration occurs when the human resource strategy is 'matched' with the organization's stage of development or strategic orientation or management style. Start-up businesses require a different approach to human resource management from companies in decline. Similarly, multidivisional companies have rather different needs from those of less complex organizational forms. The key business strategies of innovation, quality enhancement, and cost reduction require specific sets of role behaviors, which in turn,



suggest different HRM policies in relation to job design, employee appraisal, development, reward, and participation.

Integrating HRM with business strategy will ensure that employees understand the rationale for change, managers have the capability to lead change and implement contemporary management practices, and people at all levels have the competencies to meet customer/user expectations. This approach will ensure that HRM is strategically focused to support the business direction of the organization during a time of rapid change, leading to the achievement of business outcomes.

Fit' with Business Strategy:

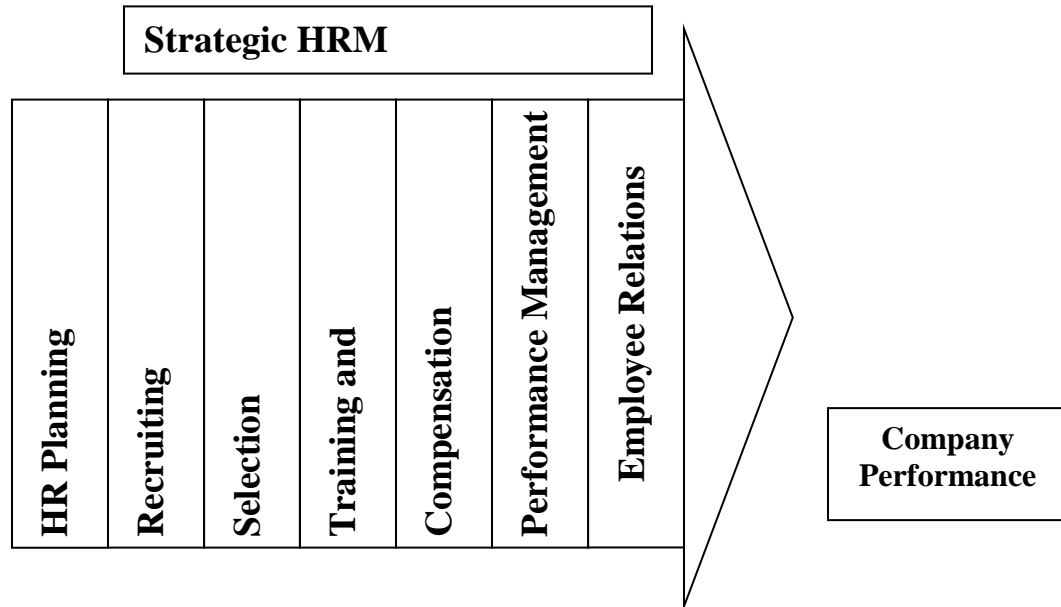
The Strategic Human Resource Management goes beyond a set of coordination functions and activities of an organization's human resources. One of the fundamental ideas underlying the SHRM theory is that the organization can create a strategic fit or synergy between its HR strategies and organizational strategies. In other words, the organization should be able to side with its HR strategies and policies with whatever their organization might exist for. SHRM if designed carefully can become the driving force for organizational success. For, it is the HR that stands in the key position to influence growth and development of any organization. Variables such as customers and stakeholders, the quality of products or services, revenues or development outcomes are greatly determined by HR strategies and polices.



SECTION -3 MAIN TEXT

HUMAN RESOURCE PRACTICES

HR Practices:



HR Planning

Planning is the key for vertical and horizontal growth in an organization. In a view of breakthrough in computer technology, planning has become a crucial and complex process the steps involved in the human resource planning process are as follows: -

- Forecasting labor demand and supply
- Forecasting labor surpluses and shortages through Job Analysis
- Goal Setting and Strategic Planning
- Program Implementation and Evaluation



Recruitment and Selection

Human resource recruitment is defined as any practice or activity carried in the organization with the primary purpose of identifying and attracting potential employees. It thus serves to serve as a buffer between planning and actual selection of new employees.

Personnel selection is a process by which companies decide who will and will not be allowed into other organizations. The competitive aspect of selection decisions becomes especially critical when organizations are confronted with tight labor markets or when competitors tap the same labor market.

Training and Development

Training refers to a planned effort by a company to facilitate employees learning of job related competencies. Generally, the aim of all management-training techniques is to generate in department heads a deeper understanding of themselves and of others so that their decisions may take better account of the needs of the organization. Many methods are used, but all of them seek to develop managerial styles that are likely to build morale and motivate personnel for more effective work, to attain the objectives of the company.

Performance Management:

Performance appraisal is generally viewed as the primary means for managing employee performance. It is an administrative duty performed by the human resource function. There are a number of approaches used for this purpose. For instance, attribute approach, comparative approach, behavioral approach, and result approach etc.

Compensation:

There has been a marked growth in cash as well as non-cash compensation during the past several years, affecting the salary budget of the organization. These benefits include:

- Medical Insurance
- Free Telephone
- Transportation
- Accidental insurance
- Old age benefit
- Provident fund



The cash benefits include:

- House rents
- Car maintenance allowances
- Bonus

Importance of HR Practices and Strategy Alignment:

Human resource alignment is the first step in the implementation of strategic alignment. It is a systematic assessment of how human resource work being done today is contributing to the organization achieving its business strategy.

Human resource practices and strategy can determine whether the work of HR function is adding value to the business bottom line. The best organizations align HR by first changing the paradigm by which they view the HR area. They stop seeing HR as a department with a budget, personnel and tasks. Instead they define it as an organization with resources, customers and services to deliver. ‘Strategic HR goes beyond best practices’.

RECRUITMENT AND SELECTION

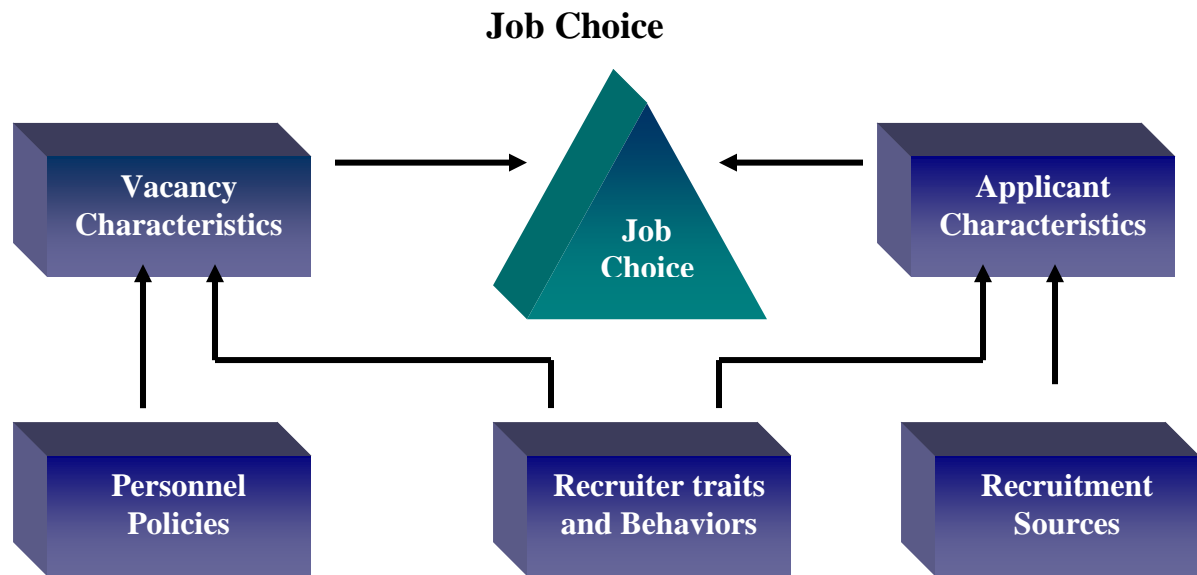
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Personnel selection is a process by which companies decide who will and will not be allowed into other organizations. The competitive aspect of selection decisions becomes especially critical when organizations are confronted with tight labor markets or when competitors tap the same labor market.



Recruitment Process:

Once manpower requirements have been determined, recruitment is the essential step in the staffing process. In Banking sector, the organizations present an unusually wide range of positions in terms of skills and personality requirements. This situation is further complicated by the fact that in Banks, it is often necessary to combine job, so that a human resource manager may seek a combination of different skills in the same individual.



RECRUITMENT INFLUENCES



Personal Policies:

Personnel policies refer to organizational decisions that effect the nature of the vacancies for which people are recruited.

Internal Vs external Recruiting	The advancement and promotional opportunity is affected by the degree to which the company “ <i>promotes from within</i> ”
Lead-The-Market Pay Structure	“ <i>lead-the-market</i> ” approach to pay that is, policy of paying higher than the current market wages. The ‘lead’ policies at the organization make given vacancy appear more attractive to applicants.
Employment –At-Will-Policies	To protect themselves from wrongful discharge suits, employees be encouraged to state explicitly that the employment is ‘at will’.

Recruitment Sources:

Recruitment sources are used to solicit applicants, that affects the kind of people applies.

Internal Vs External Sources	The company must rely on Internal sources as it generates applicants who are knowledgeable about the firm and its practices. With the introduction of a new technology, one may recruits from the external source only if no internal recruits are available.
Public & Private Employment Agencies	Avoid taking the assistance or aid of any private and public employment agencies. The company must itself, by its efficient performance, attract the willing applicants from all over the country.
Colleges And Universities	Although, on-campus interview is the most important source of recruits for technical or managerial vacancies.
Electronic Recruiting	The company can also plans electronic recruiting where the interviews will be conducted online.



Recruiter Characteristics:

The recruiter's characteristics are the last stage in the human resource recruitment process that has relatively less impact on applicant's job choice.

Recruiter's Functional Area	The personnel involved in the recruitment process must be President, the Vice President, the Head of Department HR, and the Head of department of the functional area along with the immediate supervisor of that department.
Recruiter's Traits	The recruiter's at the company must show warmth towards the applicants as applicants respond more positively to recruiters who are perceived warm.
Recruiter's Realism	The recruiter should not exaggerate the vacancy features instead deals with realism.

Because of the strategic differences among companies, the importance assigned to different policies/ practices by different companies may differ. In general, however, all companies make decisions in all the above-mentioned areas of recruiting.

Selection:

The selection process starts when applications are received and screened in the Human resource department. It is the process by which companies decide who will or will not be allowed into their organizations. For the selection of an employee, the organization carries out "*Interviews*".

Standard Selection Methods:

Personnel selection is the process by which companies decide as to who will be allowed to work in the organization. The generic standards met in the selection process of the organization are:

- Reliability
- Validity
- Generalizability and
- Utility



Different organizations adopt a variety of methods for the selection of an employee in the organization. Some of them are discussed below.

Interview:

The selection method thus taken up by the company includes ‘Interviews’ which is a dialogue initiated by one or more persons to gather information and evaluate the qualification of the applicant for employment. Certain Banks and the organizations, therefore, follow the concept of drop in applications and walk in interviews for the recruitment and selection of an employee. Whenever an applicant comes to know about an empty slot at the organization, he/she drops the resume for employment.

Situational Interviews:

The interviewers conduct situational interviews that deal with specific situations that are likely to arise on the job and use them to determine what the person is likely to do in those situations. The situational interviews are both experienced based and future oriented as the interview requires an applicant to reveal an actual experience he confronted in the past and what the person is likely to do when confronting a hypothetical situation in the future.

RECRUITMENT AND SELECTION AT MICROSOFT:

The recruitment and selection procedures at Microsoft support the business strategy. There is high validity in the selection procedure as the performance on the measure is related to performance on the job. The features observed in the interviews and other screening processes complement the differentiation strategy, as talented and intelligent people are the ones who are short-listed. The intelligence and talent is the main criterion for enhanced performance and improved outcome.

In other words, the core competency of the organization is its people. Referring to the statement of Bill Gates of taking their best people away would make it an unimportant company, it can be analyzed that investment in its most important asset makes Microsoft stand alone from the rest.

Ensuring alignment relies on excellent performance management so that people are clear of what their roles are, what is expected of them and how they might change. Competencies are often defined as ‘a particular attribute that people have to develop the



capability of the individual and the organization.’ If the companies adjust competencies so that they are continually aligned to the business strategy, the likelihood of people’s behavior being in line with what the business needs at any point in time is high. If these are reflected in the performance standards the organization is seeking to achieve, the link between skilled behavior and outputs is evident.

Another important aspect that indicates the perfect alignment of business strategy and HR Strategy is that after the collaboration of Microsoft with other software firms. The company ensures that it continues to maintain intellectual group of employees who are able to innovate and originate new solutions for its broad group of customers. Thus, even after undergoing a phase of change, Microsoft continues to maintain the alignment between its strategies.

RECRUITMENT AND SELECTION AT JOHNSON AND JOHNSON:

The recruitment process varies from company to company and from region to region. The autonomous companies hire people according to their own requirements and needs. Due to the expansion in various firms, the organization has empowered its units to conduct its own recruitment and hiring procedures. Though the company relies on specific recruitment and selection procedures but for continuing its business strategies, that is, differentiation, the company hires intellectual and hardworking people from different universities. These students are selected from reputed universities of the world.

To support the screening and selection procedures at the units, J&J also supports its divisions through different programs. This indicates that to hire creative and ambitious people for its organization, the company selects best students from these universities for them to learn and grow. The criterion used for selection has content validation, as people are oriented about the content and situation that they are to about face at their jobs. Employees are constantly assessed for development and administrative purpose.

The other alignment to the strategy can be observed by offering everyone the opportunity to apply for a profession in J&J. The company for the sake of expansion into other regions relies on e-referrals. This is to ensure that the company welcomes everyone from around the world to pursue their career path with this company. Presence of J&J around



the globe is an indication to employees that people across nations will be provided ample opportunities to enter into this dynamic field. For management of businesses, the company recruits employees that have a master's degree in the relevant field. This supports the business strategy as business experience and knowledge is a prerequisite to manage a business.

RECRUITMENT AND SELECTION AT KFC:

KFC recruits and employs staff that is committed to its organizational goal of expanding into other regions and fulfilling the needs of its customers. Team players are especially welcome at the organization as working in teams is an essential criterion at KFC.

Element of change is visible when KFC enters into new countries with new needs of customers to serve. To fulfill the requirements of the newly targeted segment, the organization maintains the same standards for hiring people at franchised outlets. Customization of products is significant features of globalize organizations. It therefore, customizes the products according to the needs and wants. However, standard operations and activities help it maintain low costs. It can be seen that the management not amongst the selection criteria sets innovation and creativity. Thus, it can be stated the there is no alignment between the business strategy and the recruitment of selection procedures.

COMMON ANALYSIS:

From the analysis of the above companies, it can be stated that organizational fit is visible in all the three organizations. The business strategies adopted by the multinationals and the global firm indicates that the human resource practices align fairly well with the strategy followed. For a company like Microsoft, differentiation strategy has an alignment with all the HR practices. It can however, be argued that the compensation packages do not support the organizational fit. But in terms of increasing productivity and for the purpose of innovating and creating new products, the company has designed a salary structure in such a manner that the basic salary given is lower than the competitors. In the short run, it may be a demotivating factor for the company but in the long run, this practice leads to higher productivity and efficiency.



Apart from the compensation package, another factor that restrains the workers from working at Microsoft is the unlimited working hours. Long working hours hold back the employees from optimally utilizing their abilities. Another practice that deviates from the ideal situation is the performance management system at Microsoft. The employees are rated according to a forced distribution system. Forced distribution system implemented in the organization is a weakness in the human resource system that overlooks the performance aspect of the employees showing that alignment is required when it comes to performance management system at the organization.

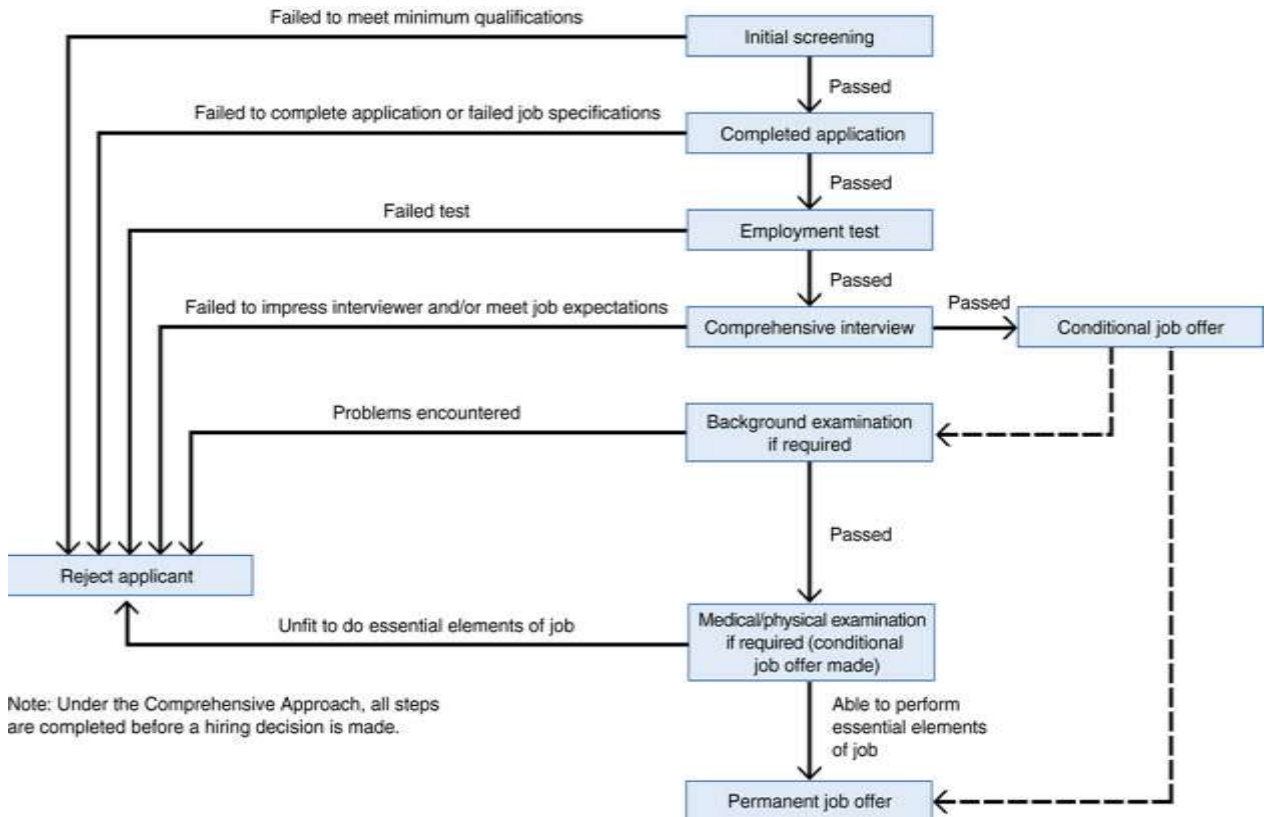
Johnson & Johnson has also adopted a differentiation strategy. For compliance with the business strategy at this organization, the positive aspect can be viewed in the regard that starting from recruitment till compensation, the human resource practices align with the business strategy. To sustain the core competency through the differentiating and innovative feature, the company hires intelligent and hard working graduates from reputed universities. Training sessions are conducted in order to develop the skills of highly capable individuals. Compensation package in terms of monetary and non-monetary terms is highly satisfactory. It can therefore, be concluded that organizational fit is observed in the organization like Johnson & Johnson.

As for KFC, the strategy followed is that of differentiation and low cost leadership. Standardization of techniques and procedures is an indication that the company is following low cost leadership. The distinguishing feature is visible in the manufacturing process that is able to produce unique products. The company spends healthy budget in the staffing of competent employees and reduces its overall costs through the consistent practices. It can therefore, be viewed that organizational fit is depicted in KFC that helps it hold a dominant position in the chicken segment.

In the end, it can be concluded that organizational fit is an important feature in the organizations that needs consideration and concern by the management of the organizations. Its importance is emphasized in sustaining core competency at the organizations and in gaining a competitive edge over the competitors.



RECRUITMENT AND SELECTION AT TOYOTA:



There are different types of selection methods use to evaluate potential candidates. Different industries have different methods depending on the type of job requirement.

Specialist/Engineer/Group Leader

Recruitment (including selection methods)

ADVERT → APPLICATION → PAPER SCREEN → 1SINTERVIEW → ASSESSMENTCENTRE → FINAL INTERVIEW → MEDICALASSESSMENT → REFERENCECHECK → UNCONDITIONALOFFER → CONDITIONALOFFER

Team Member Recruitment ~(including selection methods)

ADVERT → APPLICATION → PAPER SCREEN → ASSESSMENTCENTRE → STRUCTURED INTERVIEW → MEDICAL ASSESSMENT → REFERENCE CHECK
• OFFER



Industrial Trainee Recruitment (including selection methods) ~

APPLICATION → PAPER SCREEN TEST → ASSESSMENT CENTRE
FINAL INTERVIEW → MEDICAL CONTRACT OF EMPLOYMENT

Administrator Recruitment (including selection methods) ~

ADVERT → APPLICATION → PAPER SCREEN → ASSESSMENT CENTRE →
FINAL INTERVIEW → MEDICAL ASSESSMENT → REFERENCE CHECK
QUESTIONNAIRE → OFFER

Graduate Recruitment ~ (including selection methods)

APPLICATION → PAPER SCREEN → TEST → ASSESSMENT CENTER
1st INTERVIEW → FINAL INTERVIEW → REFERENCE CHECK →
OFFER → MEDICAL ASSESSMENT

Toyota is open for graduates in every field. If basic qualifications of applicants meet their requirement they put you in “Toyota’s Applicants Pool”. Applicants are asked to attend their selection process, and they give more detailed information of the vacancies.

RECRUITMENT & SELECTION AT ABN AMRO:

The selection criterion of any Bank is having utmost importance because the organization is going to invest on test and on interviews so they have to be much careful in selecting right person for their organization. Mostly the characteristics which ABN AMRO seeks in their employees are dependability, loyalty and commitment to the organization’s goals. Employees are generally role-takers and need to become thoroughly familiar with the rules, norms and work procedures of the firm.

If an application meets ABN-AMRO’s ability criteria, it will invite applicant for an interview and numerical tests, at a given venue. If successful in both, ABN-AMRO will then invite to attend its final stage of selection process at their office. At the end of the



final round of interview, ABN-AMRO will offer a job. Written offers follow within a couple of weeks. If unsuccessful in its selection process, the same will also be informed. If a person is selected and found to be suitable for a particular role in a business, and in the country a person applied to work in, ABN-AMRO will discuss the position and make an offer of employment. A person is expected to confirm acceptance of the offer within one week.

Interview Process:

The interview process is fairly rigorous but fair; the goal is not to stress out the interviewees but rather to assess his/her technical ability and to exchange information. Selection could be carried out on the basis of qualifications, experience, interpersonal skills, teamwork, creativity, tacit knowledge, motivation, loyalty, access to networks and organizational congruence. The scale of the projects dictates the involvement of staff with proven skills and experience and integrated product capabilities.

The entry point for an occupational internal labor market incumbent can be at the bottom. It is important to note, however, that occupational internal labor markets exist for incumbents of one or more associated occupations, and are not necessarily confined to a single employer. Equities has now become more specialized and more complex. As a result, technical experts are needed to provide leading-edge research, involving analysis and interpretation of statistics, events and market movements. To be able to manage the volume of business, and to provide institutional and private clients with leading-edge research and equity and equity-derivative execution,

Technical specialists, including account managers and execution staff, develop close working relationships with clients. Fundamental requirements of the technical specialists are a high degree of expertise, dedication, agility and speed to provide up-to-the-minute insights into the latest developments, as well as vital intelligence and local news, all of which are essential in the fast moving world of global futures trading. Of more recent times, the Futures industry has attracted agricultural, accounting, economics and business professionals. With the advent of electronic trading in the next few years, the nature of



work will require an increasing number of professionals in order to gain competitive advantage.

³Recruitment Policy and Practice:

ABN AMRO's recruitment policy advocates internal recruitment before sourcing externally. Non-executive and junior executive vacancies are advertised internally either by notice boards, newsletter or informal networks. For internal candidates the selection process may involve a couple of interviews. Alternatively, search and selection assignments may be used to select suitable staff. External applicants may undergo three or more interview rounds depending on the seniority of the position.

A range of psychological tests is an important part of the selection process, and candidates, particularly external, go through this process before any final decisions are made. These tests assess conceptual reasoning, numerical critical reasoning, verbal reasoning, and personality profiles. They play some role in assisting management when selecting staff, but qualifications and experience are considered to be much more important, especially nowadays when the culling process for most divisions begins by weeding out those applicants without qualifications.

The Basic Criteria's:

Interviews revealed management's perceptions of the basis of recruitment to be that about seventy percent of Equity recruits typically have a few years' experience, working for other organizations in the industry. External recruitment occurs at higher levels if no suitable candidate can be found internally, and also when 'new blood' needs to be injected into the division; this occurs in about thirty percent of cases. There is a preference for recruiting internally at junior levels as a means of ensuring the future commitment of employees.

Although the organization places a great deal of importance on qualifications and experience, it is still possible for a person with no formal qualifications to work his or her way up from the back room. Nineteen per cent of the Equities staff is educated only to the end of secondary school. They occupy junior level positions, and it is becoming harder to enter the occupation with only this level of education. Approximately seventeen per cent

³ <http://www.irob.unsw.edu.au/html/wkngpapers/wp137.pdf>



of people in Equities have postgraduate degrees, and around thirteen per cent have a postgraduate diploma qualification.

Structured Finance is less rigorous about this criterion than other origination divisions are, but still considers it important to try to obtain highly credentialed people from the best academic institutions. Applicants without qualifications are culled out of the process. Other key selection criteria include experience and the ability to work in teams because that is how most work is conducted. Outstanding people, who are highly motivated, creative, and able to apply tacit knowledge to complex business deals, fit well with the Structured Finance culture and work ethic. Psychometric testing is often seen as a valuable indicator of a candidate's orientation in this regard.

Again, employees' perceptions as to the importance of various selection criteria were quite different from those used by management and the Human Resource division in the selection process questionnaire which states about selection process to their employees, 'What do you regard as the most important selection criteria for your job?', indicated that fifty-six per cent saw experience to be the single most important criterion; the second and third most important were interpersonal skills (twenty-two per cent), and intellectual knowledge (seventeen per cent). Contrary to the management interview data and data extracted from the Human Resource Workforce Database, six per cent of people saw qualifications to be only the fourth most important criterion.

The top management and the Human Resource Director indicate that qualifications, experience, the ability to work in teams, interpersonal skills, access to networks, tacit knowledge and creativity are used as selection tools in the process. Highlighting the importance of qualifications as a selection criterion, the Human Resource Department Database shows that eighty-eight per cent of people have a one-degree qualification. Approximately forty four per cent of people have a postgraduate qualification. Given the amount of degree-qualified people, it suggests that management and the Human Resource division do in fact extensively use qualifications as a selection tool in the culling process.



RECRUITMENT AND SELECTION AT HSBC⁴:

The Human resource recruitment is defined as any practice or activity carried on by the organization with the primary purpose of identifying and attracting potential employees. It thus serves to create a buffer between planning and actual selection of new employees. Recruiting new persons and selecting new personnel is a complex processes because the purpose is not to simply generate a large pool of applicants who are qualified too at the same time. Recruitment activities are designed to effect

- The number of people who apply for vacancies
- The type of people who apply for them
- The likelihood for those who accept the position if offered

HSBC looks for strong analytical and quantitative skills. In addition, employees need to be very flexible, enjoy a challenge, and be quick learners. Since it is an international organization, it also looks for all new hires to have a global outlook. In addition, while not a compulsory requirement, the company prefers all its hires to speak at least one language other than English, and again, the local language of the office they wished to be placed in.

External Recruitment:

Recruitment at HSBC is usually done externally because bringing an outsider brings new ideas and creativity in work.

Advertisement in Print Media:

HSBC when feel the need of new employees give advertisement in newspapers and periodicals of that specific country as it is the policy of HSBC to recruit the native people to give the feelings of a local Bank.

Electronic Recruitment:

Computer recruitment networks are becoming popular HSBC also advertises on the net and provides forms filled and submitted on the web to a particular department which shows the need of recruitment.

⁴ www.hsbc.com



Colleges and Universities:

HSBC also has a tendency to recruit directly from the colleges and universities especially in UK and USA. In USA, Howard University and Lincoln University are used as a resume drop centers where the well-established colleges and universities of USA drop the resume of their potential students. These fresh candidates are usually recruited for the certain courses.

Selection Methods⁵:

Interview:

When recruitment process meets all the above criteria then selection method is used, this is usually through Interviews. A selection interview has been define as “dialogue initiated by one or more persons to gather information and evaluate the qualification of an applicant for employment” .It is the most wide spread method used for the selection process.

The interviews have been developed as a two-way process to enable you to get as much information as you need and to provide the opportunities for you to present yourself and your abilities in the very best light. The process also involves a number of psychometric tests.

The final stage will involve a selection center including interviews with senior business managers, group discussions, personality profiles, leadership exercises and a written case study. The selection center also involves an informal lunch where the employee is given the opportunity to talk to both senior business managers and current graduate trainees about your potential career within Investment Offers of employment are made a week after attending a selection center.

RECRUITMENT TRENDS IN HONG KONG:

⁶Back in Hong Kong’s recruitment marketplace but away from the IT industry, there are a number of other areas where business is good. Organization Search’s Strachan says that

⁵ www.hsbcareers.com

⁶ (<http://www.asianrecruitment.com/HK.html>)



the luxury goods market is picking up, which is partly a reflection of the return of the tourists. And Kong at Job Access is confident that there will be renewed activity in the Banking sector: “Things had slowed down a bit in some areas of Banking, partly due to some of the M&A activity that’s been going on. But many of the Banks are now working out next year’s budget and are looking at as much as a 50-percent increase in head count in some areas so we’re likely to see a lot more movement.”

Generally, says Kevin McCormick at Morgan & Banks, companies in most market sectors are adopting a strategy of “cautious growth”. In recruitment terms, this means that firms are hiring, but “we need to find strong candidates with proven experience because companies need results now. Later on there’ll be a ‘comfort zone’ which will allow companies to pick up candidates with less experience and train them in-house.”

McCormick says that this type of hiring policy is helping drive a developing trend towards candidates being increasingly concerned with career development. “Candidates that have been hopping around for a 5 percent increase or a better job title are starting to realize that it’s not the same market out there, that there’s more competition,” he says. “The days when an individual could leave his job one day and get another one the following day are over.”

Hong Kong candidates are becoming aware of their skills and experience, and of the importance of managing their careers. As a result, says McCormick, they are also becoming more discerning when it comes to employers. “They want to work for ‘employers of choice’, and not necessarily those that offer the biggest salaries. They’re more interested in the whole package – training, company image, job satisfaction, personal benefits.”

RECRUITMENT & SELECTION AT CITI BANK:

Recruitment:



In CITI Bank recruitment & selection is done to ensure compliance to company strategic plans, employees who are suitably qualified and experienced. Job posting programs through emails, memos and internal advertisements and succession planning (for middle and higher management) within the organization are extensively used as an internal recruitment channel to fill in the desired vacancies with suitable candidates.

CITI Bank never uses media advertisement to fulfill its recruitment and job vacancies.

The external recruitment normally used is as follows:

- Employee referrals
- Temporary help agencies
- International recruitment
- Educational institutions
- Community training programs

Educational institutes are used most extensively to recruit at the entry-level management positions, besides accepting resumes through walk-ins and write-ins. Temporary help agencies are also use extensively to recruit peons and contractors. CITI Bank is also involved in community training programs with various educational institutions to develop future managers for the Banking industry. CITI Bank also conduct periodic interview sessions and career days at campuses around the country. Job offers and internship programs are both solicited through campus recruitment efforts. International recruitment is also done via their New York office.

The method used for collecting information about recruits is resumes like; personal data, educational skills, references, work history, employment status, language known, mobility, awards, languages known.

Prior to starting the actual process of recruitment and selection the HR department undergoes a systematic procedure of determining the organizational demands for employees by identifying the job, tasks and responsibilities, skills and qualifications required for each job.

Recruitment Process:



Recruitment is a means whereby companies try to get maximum possible suitable applications required for their current and future job vacancies.

Internal Sources:

CITI Bank is well known of being conservative and this can be justified by the fact that they try their best to fill in any vacancies that crop up by first scanning their current employees for the required qualifications and experience. According to the HR Manager they prefer to go internally because:

- It is considerably less costly than external recruiting
- Present employee is more likely to stay at CITI Bank than external candidate
- The people already working for CITI Bank are well aware of its culture and employee demands and thus provides a better understanding for their work
- The organizational policy of promoting from within enhances the employees' moral, organizational commitment and job satisfaction

External Recruiting Channels:

According to HR Manager's statement they do not prefer external recruitment because it may have a negative impact on the existing employees. CITI Bank does not advertise and consider external recruitment as the last option. The following external channels are used:

Referrals:

At CITI Bank referrals act as an effective recruitment. Referrals are most helpful in the cases of highly specialized jobs. Referrals result in maintaining consistency in the workforce.

Walk-Ins:

This method is much appreciated at CITI Bank because it gives them the chance to hire fresh, vigilant, determined and confident workforce for entry-level jobs.

Internships:



Summer Associate and Internship Programs are designed to provide students interested in a career at CITI Bank, the opportunity to spend 4 to 12 weeks working with the Bank. This is the perfect opportunity for aspiring students to learn more about careers in the financial sector while allowing Bank to get to know interns better for future job offer. Job offer and long term assignments are offered to students based upon their potential and contribution to the business factors reviewed during their internships. CITI Bank also conduct periodic interview sessions and career days at campuses around the country. Job offers and internship programs are both solicited through campus recruitment efforts.

Management Associate Development Program (MADP)

The use of MADP as a recruitment and selection base helps CITI Bank to avoid poor recruitment and selection decisions. It is a sequential process. It begins with summer internships that are offered to the students of various business schools. This is a very important phase in the recruitment and selection process, since the internees selected for internship will be the potential candidates for the MADP. These candidates or Management Associates form the pool, from which eligible candidates are selected for placement in permanent employee positions at CITI Bank. It is unique recruitment program encompassing orientation and training is different from the methods used by other Multi-National Companies. It is a comprehensive program since the company is able to thoroughly judge the applicants on all human aspects of the job.

Selection:

Selection is the process of assessing candidates by various means and making a choice followed by an offer of employment. CITI Bank uses an internal selection process. It also uses succession planning for internal selection as well as for career planning. CITI Bank takes particular care in emphasizing the essence of equal employment opportunity. The selection method most widely used is interview, which includes a series of interview conducted by different line managers. Other methods include reference and background checks. The interviews used are both group and individual interviews. The interviewer uses the structured format in the interview process. A typical interview lasts for approximately thirty minutes. CITI Bank does not use any tests for the selection process.



Testing is required for personnel who are recruited for specialized jobs. At CITI Bank the selection process consists of the following steps:

- Resume
- Human Resource Department Interview
- Panel interview with line Managers- 3 to 4 Times
- Business Manager Interview
- Hiring/Business committee interview and decision

Interview at CITI BANK:

After being short listed from various recruiting means like resumes, walk-ins, write-ins etc. the candidates have to appear for an interview first with the HR Manager then with the department head and finally before a panel. The panel will always include the head of the department where the candidate is to be assigned if selected. The presence of at least three officers will constitute a quorum. The attached quick interview worksheet will be utilized for guiding the interview. CITI Bank maintains the interview evaluation records by filling an interview form. Rejection by more than one panel number will disqualify the candidate for the employment.

The selection interview at CITI Bank is a formal in-depth conversation conducted to evaluate the applicant's acceptability. They are highly popular because of their flexibility, as they can be adapted to skilled, unskilled, managerial and professional employees. Interviewers at CITI Bank allow a two-way exchange of information they learn about the applicant and the applicant learns about them.

General questions asked in the interview at CITI Bank:

- Why do you want to work for CITI Bank?
- What are your career goals?
- How do you consider yourself to be the best person for this job?
- Sell yourself in five words?
- What are your major weaknesses strengths and weaknesses?
- Describe your ideal job?
- How would you deal and convince a difficult customer provided a situation?



- How do you handle a task under stress?
- How willing you are to consider/take up mobility, relocations, and transfers?
- Why did you select your college major?
- About your hobbies?
- Where do you see yourself after 5 years?

Testing:

Personnel's testing is one of the most common selection criterion used all over the world. They are the devices that assess the probable match between applicants and job requirements. Different companies conduct different types of tests depending upon their nature of operations like psychological tests, knowledge tests, performance tests, graphic tests, attitude tests, medical tests and simulation. CITI Bank used to do some of these tests earlier for their selected jobs but now this has reduced. It depends on need and requirement of a particular work for which certain tests are conducted.

Confirmation:

All new hiring will remain on probation for 3 to 6 months. Confirmation as a permanent employee will be used on the following basis:

- Satisfactory performance rating from the department head.
- Satisfactory replies from personal references and formal employers.
- Certification of physical fitness from the Bank's doctor



SECTION -4 MAIN TEXT

ASKARI COMMERCIAL BANK LIMITED

General:

The job of any HR Department in an organization is to ensure that it has the right amount and right kind of people to deliver a particular level of output or services in future. This is done through Human Resource Planning; attain long-range revenue goals and plans of an organization applying different types of strategies. These goals are achieved by assessing the current situation of existing employees inventory positions, vacant/open positions and forecasting of human resources need (types of employees nature and types of positions).

ACBL is one of the relatively new but rapidly growing commercial Banks in Pakistan. Like all modern business organizations, this Bank attaches immense importance to its HR function. The HR department of the Bank is a professionally managed segment staffed by 25 functionaries. The immense value attached by the Bank to its employees is reflected by its stated set of values, according to which the Bank considers its employees as most valuable assets. The HR policy of the Bank focuses on multi-talent hiring, professional grooming, requisite training and meritocracy based reward system. The Bank also claims to lay great emphasis on nurturing a distinct culture, cohesive teamwork, and training and realistic performance management

Company Profile:

Askari Commercial Bank Limited was incorporated in Pakistan on October 09, 1991 as a Public Limited Company, and is listed on the Karachi, Lahore & Islamabad Stock Exchanges. The Bank obtained its business commencement certificate on February 26, 1992 and started operations from April 01, 1992 with paid up capital of Rs. 675 million



and has since progressed to become one of the mainstays in the Banking sector of Pakistan. Army Welfare Trust owns 51% shares of the Bank while common stockholders hold 49% shares of the Bank. It currently has 49 branches. The Pakistan Credit Rating Agency (Pvt.) Ltd. PACRA, an affiliate of FITCH IBCA Ltd., U.K., has rated the Bank's long-term entity rating at AA and short term rating at A1+, which is highest possible in this category.

Askari Commercial Bank, despite being a new entrant in the Banking sector has acquired an enviable position in this field. It is one of the leading Banks in Pakistan providing most modern services to its customers. A dominant player in Pakistan's financial services industry, Askari Commercial Bank Ltd. (ACBL) delivers high quality products in a modern and cost effective manner. The Bank conducts business in retail and corporate segments, providing full range of commercial Banking services.

ATM Services:

One of the corner stones of Askari Bank's success strategy is the effective use of modern technology. The first ever Bank to offer Internet Banking services in Pakistan is spearheading its way towards being a truly B2B (business-to-business) and B2C (business-to-customer) e-commerce leader. Askari Bank offers on-line real time Banking service, allowing its customers to conveniently access funds from any of the Bank's Branches and do away with the hassle and risk of carrying cash while traveling 24-hours. ATM services, under the brand name "Ask Cash" are being offered and have now become synonymous with Askari Bank's commitment to offer new and innovative service solution to its clients. This countrywide network of ATMs draws tremendous strength from the strategic alliance between ACBL & nine other Bank, to share each other ATMs through a switch arrangement allowing clients of these Banks to access funds through ATM of either Bank.

Askari Bank also offers 24-hour integrated telephone Banking facility under the brand name "Askari Link". Customers can make balance inquiries and order statements etc from their homes and offices. The Bank is also a member of SWIFT(Society For World wide InterBank Financial Telecommunication), allowing for exchange of messages and



funds transfer electronically, world wide, thereby enhancing its clients' ability to transact international business speedily and efficiently. Askari Commercial Bank has been declared as best commercial Bank in Pakistan by the Global Finance magazine for two straight years. Askari Bank stands committed to provide maximum value to its customers through a strategy of sustainable and balanced growth and to fulfill its claim of being “Your Bank for the New Millennium”.

Mission Statement:

"To be the leading private sector Bank in Pakistan with an international presence. Operating in niche markets, delivering quality service to the clients, through the use of advanced innovative technology and effective human resource management in a modern and progressive organizational culture of meritocracy, while maintaining the highest level of ethical and professional standards and providing enhanced value to all our stake holders & contributing to society."

Core Values:

The intrinsic core values, which are the corner stone of ACBL corporate behavior, are

- Commitment
- Integrity
- Fairness
- Teamwork

Objectives Of The Bank:

The broad framework of corporate objectives as spelled out by the Bank are as under:

- ☞ “Askari is committed to its identity of “Security & Trust” and will endeavor to uphold this image at all the times”
- ☞ “It will endeavor to provide its customers with as many creative financial services and products as is required. As today’s customer demands a package of services suited to his/her particular business, Askari Commercial Bank Ltd. plans to develop different and new products to cater to the customer’s demand”



- ☞ “Most importantly, Bank will keep standing by and develop its human capital base. It is planning to provide all the required training to its staff towards achieving a higher level of professionalism. Askari Commercial Bank Ltd. continues striving to build a strong, motivated and dedicated work force where total commitment will be towards customer satisfaction and wealthy growth of organization.”
- ☞ “Askari Bank will endeavor to provide a competitive return to its stakeholders and will strive to maximize its share value. The enhancement in its capital and return will be a continuous process.”
- ☞ “Askari Commercial Bank Ltd. is interested in being one of the more financially viable institutions. Therefore, it lays emphasis on gradual building up of a healthy deposit mix.”

RECRUITMENT & SELECTION At ACBL:

Objective:

The core recruitment and selection objectives at ACBL are to attract high quality/high potential individual for positions at all level.

Human Resource Recruitment:

Recruitment is usually considered sensitive because it is a decision that brings about positive or negative changes in an organization in a long-term perspective. Once an appropriate recruitment decision has been made it contributes to effectiveness and competitive success of a business/company. On the contrary, a wrong recruitment decision can have disastrous consequences. For a company or Bank operating in as specialized a business area as ASKARI BANK LTD, effective hiring process requires adoption of a proactive approach, as all contestants are dependant on the same labour market.

The HR department at Askari Bank is of the view that since they have a very positive market rapport, which together with their proactive approach to hiring enables them to pick good employees from the labour market. Moreover, the Bank is in process of



expansion hence they do not have the problem of labour surplus. When done meticulously, human resource planning enhances success of organization while minimizing the human suffering resulting from poorly anticipated labour surplus or shortage. At ACBL, business volume analysis is used as a tool to determine the labour requirement.

Recruitment at Askari Bank Ltd is done on merit, and as per the management of the Bank, the recruitment process of the Bank is fair and is conducted in a professional manner. Management claims that the situation always remains under their grip and they feel no difficulty in predicting areas within the Bank where there would be future labour shortage. Thus the VOLUME ANALYSIS system used by the Askari Bank for recruitment of people helps the Bank in smart and efficient manner and also helps them to overcome the challenge of labour shortage (as per the available information the organization has so far not experienced labour surplus situation).

The system adopted by the Bank for recruitment of employees is run in a professional manner. When labour shortage is anticipated the HR Department gets the budgetary approval from the Board of Directors. After obtaining approval of the BOD the vacant positions are advertised and the applications are received for further processing.

Hiring Philosophy:

Hiring policy is based upon purely on merit and well-defined systematic methods. Complete focus of recruitment and selection is based upon right person for the right job. Honesty and integrity is given extra weightage in addition to the professional/technical competencies.

Recruitment and Selection Categories:

ACBL at present is having three types of categories as discussed below:-

- **Experience Branches:** At the inception stage, trained manpower with good reputed professional is hired/recruited from the open market. Suitable professional



Bankers are recruited as a nucleus staff to train other employees. ACBL approach directly to them or respond through advertisement and different medias.

- **Management Trainees:** ACBL is recruiting grade II young officers directly from the universities on regular basis injecting young blood in the organization. These officers being knowledgeable, young, talented, having novel ideas are really back bone of the organization. Moreover, being young they are more flexible and can be molded as per the requirements of the need.
- **Technical/Supporting Staff:** In this category of candidates, preference is given to the internal employees having good professional knowledge and exposure to the related job. Experience is given preference over qualification. The detail of these job are: -
 - Secretaries
 - Typist
 - Clerks
 - Computer Operator/Programmer
 - Cashiers
 - Receptionist

RECRUITMENT POLICES:

Internal Vs External Recruiting:

The management prefers to “PROMOTE FROM WITHIN” for highest Position, if employees are available with requisite qualification. Bank mainly goes for internal recruitment because of the fact that it generates a pool of employees who are well known to Bank and are well acquainted with its culture. The Bank uses external recruiting for entry-level positions. At times the Bank resorts to external hiring of senior management employees when no suitable candidates are available for promotion to a vacant position. The Bank prefers ex servicemen when hiring employees as drivers peons etc while the clerical staff is almost entirely hired from external sources. To remain focused on its primary task the Bank has out sourced protection services to a private security company.

Pay Strategies:



The management of Askari Bank Ltd is of the view that their pay structure is commensurate with the industry average. This equity enables the Bank to attract a good lot. The Bank also extends various other financial and non-financial benefits and perks to its employees.

Pay and Allowances: The competent authority makes the decision of pay. Beside pay following fringes benefits are also offered by the organization: -

a.	House Rent (SVP)	-	Rs. 20,000
b.	House Rent (AVP)	-	Rs. 10,000
c.	Offrs	-	Rs. 5000
d.	Staff	-	Rs. 1500

Beside that duty education, entertainment, over time and technical allowances are also given to the employees as per the status.

Employment At Will:

The Bank values fairness and satisfaction of both internal and external customers. To give job security to the employees is the main aim of the management. The available information indicates that the Bank follows **Due Process** approach.

Recruitment Sources:

The sources from which a Bank recruits potential employees are a critical aspect of its overall recruitment strategy. The size and nature of the fraction of the people that applies for a vacancy is effected by how (and to whom) the Bank communicates its vacancies.

The Bank uses following recruitment sources:

Internal Vs External Sources:

The Bank uses both internal and external recruitment sources. The use of both these sources help the Bank to show an overall concern for its employees and for the Bank as a whole. However, using only internal sources can result in a work force whose members think alike and therefore, may be poorly suited to innovation. The management claims that in order to achieve its goal of being **LEADING BANK** in competitive world of



today, the Bank also entertains external recruits to expose the Bank to new innovative ideas and new ways of doing business. The broad set of conditions governing the use of internal or external sources have been already highlighted.

Direct Applicants and Referrals:

Like all other businesses, the management at Askari Bank Ltd also entertains both direct applicants and referrals. These categories of applicants follow the same procedure for being recruited and selected like other applicants. Sometimes, however, the referrals take an edge and are preferred over the direct applicants.

Advertisements in Newspapers:

The Askari Bank Ltd uses leading newspapers to advertise vacant positions. Advertisements to recruit personnel are a method that requires a lot of effort from the perspective of employer to short-list the suitable candidates. It also does not allow the Bank to target skills level very well but still Bank prefer to use this approach as it is an inexpensive means of reaching a large number of people within a specified area who are currently looking for a job.

Colleges and Universities:

The Bank also uses educational institutions as source of recruitment. To recruit potential candidates from universities, representatives of the Bank attend Job Fairs held in universities like NUST, Quaid –e-Azam, LUMS, IBA etc.

Recruitment Procedure:

Keeping in view the requirement of desired manpower to be hired for new branches to be opened in future following actions are initiated by HR department.

- Desired Candidates are Short-listed.
- Advertisement through different media's.
- Conducting talents hunt in the local market.

Venue for selection to be determined and to selection board/committee is determined and candidates are informed well in advance.



Recruitment Panel:

The HR Department of the Bank has the sole responsibility for all the activities relating recruitment. Like recruitment policies and sources, special importance is given to the characters and behaviors required by the recruiters because his/her (recruiters) attitude influences the applicant's perception of job (eliminating misconception & clarifying uncertainty) or perception of themselves (e.g. their valences for various work outcomes)

The HR department maintains recruitment panel (interviewers) is selected with great care. Apart from the Head and representatives of HR department, concerned functional heads are also involved in recruitment process. The method enables the Bank to evaluate a potential employee from all angles to avoid any bias that may occur on the part of recruiter if one recruiter is employed to judge an applicant on several different dimensions.

Human Resource Selection:

Personnel selection is the process by which companies decide who will or will not be allowed into their organizations. The competitive aspects of selection decision become especially critical when organizations are confronted with tight labour market or when competitors tap the same labour market.

Although finding people who are willing to join the Bank may not be difficult given the prevailing levels of unemployment in the country, however to pick the best quality available in the market is surely a challenge. Some of the generic standards that selection process must satisfy are:

- *RELIABILITY*
- *VALIDITY*
- *GENERALIZABILITY*
- *UTILITY*
- *LEGALITY*

Selection Procedure:

Applications received by the Bank in response to its advertisement in newspapers, or from direct applicants or referrals are evaluated to shortlist candidates with appropriate qualifications. Having short listed candidates the Bank adopts a systematic procedure for final selection.



Stage 1:

After short-listing the candidates are called to appear in a written test, which is basically designed on G-MAT pattern & predominantly comprises multiple-choice questions. This test fulfills the basic standards of selection mentioned above. After successfully passing this written test, the candidate moves on to the stage of interviews.

Stage 2:

It is the most critical stage for both employee and employer, as it in this stage that final decision about selection or rejection is made. A potential employee has to prove his/her worth and suitability for job and employer has to make a correct decision, which must prove fruitful in long-term operations of the Bank. During interview each member of the committee gives his opinion/feed back. Selection is done on following criteria:-

- Education qualification
- Experience
- Location of Job
- Past achievements
- Written results
- Final interview results
- Any other strong area

The panel of interviewers includes HR Manager, Technical Staff (if required), President and Managing Director (for senior employees). After the approval of all these authorities, the applicant is offered a job. While the senior employees may be directly given permanent appointments, the entry-level employees are initially hired on a three years contract basis.

Approval Authorities: It is decided by the board of directors who may delegate the power to the executive committee or the President.

Documents: During recruitment and selection different documents used are attached: -

- a. HR (Personnel) Requisition Form - Annexure A



- | | | |
|---------------------------------------|---|------------|
| b. Preliminary Job Form (Application) | - | Annexure B |
| c. Job Advertisement Request Form | - | Annexure C |
| d. Interview Assessment Form | - | Annexure D |
| e. Job Application Form | - | Annexure E |
| f. Reference Check | - | Annexure F |

SECTION -5 ANALYSIS & RECOMMENDATIONS

FINDINGS & CONCLUSIONS

General:

HR practices in the Bank are more or less aligned with the overall Banking industry. During the past decade organizations have recognized the importance of their Human Resource due to which a great change can be seen in the HR practices of the organizations. Today employees are the most important assets for any organization so; they are more concerned with the retention of best employees and having long term relationships with them, rather than going for new recruitments.

HR practices in Banking industry have also changed; earlier the employees were selected as soon as they complete their graduation but now there is a requirement of higher education and experience. It was noticed that due to the lack of training the turnover rate was high and organization considered the training as a sunk cost but now it is considered as an investment.

The Analysis of Microsoft:

The emphasis on general reasoning and problem solving ability in its personnel reflects the need embodied in Microsoft's environment, business strategy and its business culture. The world of software development is changing constantly, so possession of yesterday's skills means less than the ability to develop new skills. Thus, Microsoft's strategy is to "outsmart" the competition in terms of both recognizing and then quickly adapting to changing conditions. This leads to an organizational culture where intellectual debate is



vigorously promoted. Those who lack mental agility are not likely to ever feel comfortable within this culture – a culture some have labeled elitist or even arrogant.

The recruitment and selection procedures at Microsoft support the business strategy. There is high validity in the selection procedure as the performance on the measure is related to performance on the job. The features observed in the interviews and other screening processes complement the differentiation strategy, as talented and intelligent people are the ones who are short-listed. The intelligence and talent is the main criterion for enhanced performance and improved outcome.

In other words, the core competency of the organization is its people. Referring to the statement of Bill Gates of taking their best people away would make it an unimportant company, it can be analyzed that investment in its most important asset makes Microsoft stand alone from the rest.

Another important aspect that indicates the perfect alignment of business strategy and HR Strategy is that after the collaboration of Microsoft with other software firms, the company ensures that it continues to maintain intellectual group of employees who are able to innovate and originate new solutions for its broad group of customers. Thus, even after undergoing a phase of change, Microsoft continues to maintain the alignment between its strategies.

Analysis of Bank Alfalah Limited:

Bank Alfalah is one of the leading Banks in Pakistan. The productivity of its employees and successful recruitment and selection policies are evident from comparative studies. Bank is providing the best financial Package to its employees. Beside salary packages other benefits are also provided by the Bank, ensuring motivation/commitment of its employees for organization achieving its goals. Bank also provides different packages to lower rank and give salary increase per month on passing their Matric, FA, Graduate and Post Graduation examinations. Bank sometimes, taking advantages of their financial positions do attract other Banks talent by offering more pay/benefits, which at times is unethical. The commitment level of contract employees is not that high as of permanent staff. The Bank must consider how to decrease the gap between these two categories.



Askari Commercial Bank Limited:

Resource Acquisition:

During the last two decades, organizations have realized the importance of human capital in determining their competitive success. With technology expanding every day in scope and possibilities, the human potential is gaining an ever-increasing importance in all industries including Banks. Like any other resource, acquisition, maintenance and development are three key stages for human capital. In the acquisition part, recruitment becomes a key functional process in any organization. Successful recruitment is essential to ensure smooth day-to-day operation as well as meet any growth plan.

Labour Forecasting:

At ACBL, the task of forecasting the future labour requirements is undertaken seriously. The likely increase in the labour demand is worked out in the beginning of the year keeping in mind the expected growth of the Bank. After working out the demand, approval of the BOD is obtained for fresh recruitments and required budgetary allocations for the purpose. It is evident from ACBL's policies that they are proactive and anticipates the labor shortage or surplus (if any) well and makes all possible arrangements to cope with the situation that may arise. They have clearly gained competitive advantage over their rivals and competitors by virtue of sound policies, reliable sources and character they exhibit.

Proactive Policy:

The Bank's focus on gaining substantial market share has been instrumental in formulation of proactive recruitment policies. The policy of promoting people from within to senior management positions is well received by the employees. This policy enables the Bank to promote those people to senior positions who are well versed with the Banks strengths and weaknesses. The practice of external recruitment for the entry level positions and for those positions for which no suitable candidates are available enables the Bank to not only cater for the future shortages of HR but also to get the desired fresh ideas.



Employment Sources:

ACBL has developed a linkage with top universities of Pakistan to recruit fresh graduates who can add value to the Bank. It uses media like newspapers and Internet for personnel recruitment. The Bank also pays a great importance on the recruiters assigned the job to attract potential candidates. Due care is taken that the Bank's image is not tarnished by the recruiter during the whole process.

The Human Resource Department at Askari Commercial Bank Ltd. ensures that selected employees have the desired potential, are energetic and considered capable of adding value to the Bank in the end. The proactive approach of the Bank has enabled it to select the best candidates from the same labor pool before competitors hire them. To ensure intake of highly capable employees, a G-MAT based test is conducted that fulfills the criteria of reliability, validity, generalizability and utility.

After passing through the test the candidates are interviewed by a panel comprising HR manager, technical staff, President and Managing Director. The candidates are judged on a variety of dimensions. During the interviews, the management makes sure to keep the interview structured, standardized, and focused on accomplishing goals.

Behavioral Consistency:

Sometimes as per the job nature the candidate may be provided with certain problem and asked to solve it, these are usually done to check the behavioral consistency and necessary knowledge or skill that a candidate possess to help Bank overcome the obstacles if any in accomplishing its overall goals and objectives. The low selection ratio (5 %) indicates high utility of the selection process while the consistent growth and enhancement in the rapport of the Bank indicates the reliability and validity of its selection procedure. While the existing recruitment and selection procedures of the Bank are serving the purpose of Bank by enabling it to induct the correct type of employees, their effectiveness can be enhanced if the Bank augments its capabilities by including work sample tests for induction of senior management employees and offering lead-the-market- pay strategies.



Salient Features:

Salient feature of the recruitment and selection at Askari Commercial Bank Limited:-

- Selection of the candidates is done purely on merit basis and jobs are assigned to the candidates purely on qualification/experience basis.
- Two different criteria are being followed for recruitment and selection i.e direct recruitment and hiring internally through promotions. Bank should also consider internal hiring for the higher posts to give incentive to its employees.
- ACBL should also give due consideration to the WTO repercussion and adjust its recruitment and selection policies accordingly. Although WTO has no direct bearing on recruitment and selection policy, however it is apprehended that different trades will be affected by the new rules of the game and will also affect the recruitment and selection policies.
- The coordination between Human Resource Department and other departments require more deliberation to be on one grid and to work as a team to maximize its potentials and minimize the external threats.



RECOMMENDATIONS

The research carried out on the HR practices of ACBL in the areas of recruitment and selection, with comparison of the some banks and various other business organizations, some workable suggestions are made which if adopted can enhance the business prospects of the bank and can pave the way for the bank to become multinational bank:-

- **Lead the Market Pay:** To ensure attracting best available employees from the local labor market it is recommended that the Bank should follow lead the market pay strategy.
- **Establishment of Askari Banking Academy:** The existing plan of establishing a dedicated training academy is recommended to be expedited. This will reduce the dependence of bank on external sources for training its employees.
- **Group Building Methods:** To ensure that its employees learn to share the ideas, experiences, build group identity, understand the dynamics of interpersonal relationships and get to know their own strengths and weaknesses and those of their co-workers, it is recommended that the Bank should employ the group building training methods like adventure learning, team training and action learning.
- **Recruitment Sources:** The bank should continue to use the following sources for recruiting good employees as talent hunt programme:
 - Advertisements in news papers, periodicals and on internet.
 - Direct links with reputable universities in order to hire fresh graduates.
 - Internal employees references
 - Walk in interviews
- **Hiring:** Once it is finalized that ACLB has to hire an employee then following procedures is suggested:



- **Internal Hiring:** For any position that is created or emptied the first preference be given to existing ACLB employees and those that have shown themselves worthy of the new position are put in that place.
 - **Recommendation of Employees:** Then recommendations of employees should be taken into view. If the person recommended suits the needs he/she be hired.
 - **Walk in interviews and the HR System:** ACLB to encourage and maintain walk in style of interviewing and job requirement. For this purpose, HR department must develop HR software through which they maintain a huge data bank of CVs that have been dropped at ACLB. The search through that data bank and any CV matching the needs is picked and a list of 5-7 people is made. Then the short listed people are further narrowed down by the HR department for suitable hiring.
 - **HR Software:**
 - Firstly sort out the CV's and call the candidates according to the job requirement.
 - Observe the technical skills by conducting test.
 - The successful candidates of the test be interviewed.
 - Also consider leadership and communication skills.
 - Make internal hiring on the basis of experience, leadership qualities, and communication skills
 - Successful candidates must go through a medical test.
 - As far as academic background is concern prefer foreign qualified as well as local graduates of reputable universities of the country.
 - **Temporary Hiring:** Continue to hire temporary employees on the basis of contract and project. In addition to size flexibility, the use of temporary workers frees the bank from many administrative tasks and financial burdens associated with being the “employer of record”.
- **Exclusivity:** The Employee should not be allowed to undertake, in any manner another assignment, engagement, or employment, whether part-time or full time,



while he is employed with the ACLB. The employee must not be under any obligation to another employer. The entire service of the employee should be devoted to the bank and the employ shall under no circumstances make available his services, whether for payment or otherwise to any organization without consent of the ACLB management.

- **Termination of Employment:** The bank must terminate the Employment Contract without any notice as per conditions in the surety bond if the employee is found guilty of any of the following:
 - Fraud and/or dishonesty in relation business and property of the bank.
 - Disclosing any confidential information about the business of the bank to any third party.
 - Providing services to any third party while working for the bank.
 - Committing an immoral act and offering bribes; and/or on conviction by a competent court on an offence involving moral turpitude.
 - Violation of bank's policies & procedures, gross misconduct, negligence, disobedience and damage to bank's property.
- **Job Description:** It is also the duty of the human resource manager to design job description for each and every employee with the help of the head of that department. A deliberate exercise must be carried out to design the job for an employee they have to relate the requirement of the job with the capabilities of the employee.
- **Communication:** To make upward and downward communication effective in ACLB the employees be allowed openly to meet the executives for sharing the problem with them. For downward communication the top management must use the head of the particular department.
- **Working Environment:** ACLB must develop an outstanding atmosphere for working so that the conflicts among the employees only occurs at very low rate but even when ever any conflict arises first of all it is the duty of the head of the respective department to handle that conflict, if he found himself unable to do so than human resource department is responsible to handle that conflict.



- **Job Satisfaction:** Management of ACLB must concentrate a lot to make the job satisfaction level maximum among the employees for this they may motivate their employees by giving them special incentives in the form of monetary and non monetary awards.
- **Position Description:** The term job description be changed with position description. As job description gives a general briefing of the requirements of the job while position description gives quantifiable objectives, such as:-
 - Objective of the job
 - Key activities
 - Time spent on each activity and reason on each activity
 - End result of activity
- **Voluntary Turnover:** The management of ACLB should always try their level best to produce conducive working environment. Managerial ability reflects in their employees turn over ratio, which should be less than 5%.
- **Recruiters:** With the fast developing market trends, it is imperative for the recruiters that they should be specialist in human resources and experts at different jobs. Such specialist takes extra steps to ensure that applicants perceive them as knowledgeable and credible. The recruiters must have following traits:-
 - The recruiter is a pleasing personality who must exhibit caring attitude and concern for the betterment of the company.
 - The recruiter is informative.
 - A recruiter should exhibit realism in his message to the applicant. Realistic job previews assist organization to minimize job turnover, e.g. pay, security, advancement opportunities and so on.
- **Selection Methods:** Various methods can be used as a guide in deciding which test to use for a specific purpose. However more than one test can be used to check the individual while selecting for a specific job. The validity associated with the judicious use of multiple tests is higher than for tests used in isolation. Following methods may be used in accordance with need of the job position at ACBL:-



- **Biographical Information.** All employers are keen to know and get background information on the applicant prior to interview hence information can be solicited from the people who know the candidate through reference checks.
- **Interview.** A panel of interviewer is made in accordance of the job. HR staff should keep the interview structured, standardized and focused on accomplishing a small number of goals. In addition to it only those questions be asked which deals with specific situations that are likely to arise on the job, and use to determine what the person is likely to do in that situation.
- **Physical Ability Test.** Although automation and other advances in technology have eliminated or modified many physically demanding occupational tasks. Many jobs still requires certain physical abilities that may be relevant not only to predicting performance but to predicting occupational injuries and disabilities as well. These tests should include following:-
 - Muscular Tension
 - Muscular Power
 - Muscular Endurance
 - Cardiovascular Endurance
 - Flexibility
 - Balance
 - Coordination
- **Personality Inventories.** While ability test attempt to categorize individuals relative to what they can do, personality measures tend to categorize individuals by what they are like. It has five major dimensions as under:-
 - **Extroversion.** Sociable, gregarious, assertive, talkative and expressive.



- **Adjustment.** Emotionally stable, nondepressed, secure and content
 - **Agreeableness.** Courteous, trusting, good-natured, tolerant, cooperative and forgiving
 - **Conscientiousness.** Dependable, organized, persevering, thorough, achievement and oriented
 - **Inquisitiveness.** Curious, imaginative, artistically sensitive, broad-minded and playful
- **Honesty and Drug Tests.** Organizations are facing some specific problems in the prevailing environment of the country which requires a dedicated effort to make best selection out of the potential made available to them. It leads to the organizations to two new kinds of tests: honesty test and drug-use tests. Scrutiny on the two tests would make the organization healthy and will inject pure and fresh blood into the organization.



INTERNAL ADVERTISEMENT

Annexure-A

<u>From</u> HRM Manager ACB Limited	<u>To</u> All Departments -ACB Limited
<p>Subject: <u>Position Vacant for Assistant HRM Manager – Personal Affairs</u></p> <p>1. The Bank endeavors its employees to seek enhancement in their career opportunities, while serving in our prestigious setup. A position has been created in our setup for asking desirous candidates for this post. Assistant HRM Manager (Personal Affairs) is admiring vacancy in grade 19, which has bright future for senior level positions.</p> <p>2. Selected individual will be employed in our new Bank based at Islamabad. Salary package will be commensurate with experience and qualifications. Interested employees may apply after getting branches head approval for such post.</p> <p>3. Application alongwith detailed CV and attested copies of education certificates; NIC and two latest photographs should reach the undersigned before 1 Dec 2004.</p> <p>Request give wide publication to this notice for the information of all the employees.</p>	
<p>HRM Manager xxxxxx</p>	
<p>Date: 22 Sep 04</p>	



HUMAN RESOURCE DIVISION

CONFIDENTIAL

ASKARI COMMERCIAL BANK LIMITED

Job Allocation

Job Title:	Job Location:		
Employee Name:			
Employee No:	Present Grade:		
Department:	Section:		
Organization Relationship:			
Reports to:	Supervises:	Directly	-
		Indirectly	-

The following jobs have been assigned to:

Mr./Ms _____ Grade _____

Effective from: _____

I accept the above assignment jobs Name: _____ _____ Signature Date: ___/___/____	_____ Divisional Head Date: ___/___/____
---	--



ASKARI COMMERCIAL BANK LTD.

DINNING CAREER OPPORTUNITIES

Askari Commercial Bank, one of the leading private sector Banks, focuses on quality service through modern technology and high quality human resource. We are seeking outstanding Banking officers with initiative, commitment, confidence and drive to work in the following locations:-

- Karachi
- Islamabad
- Jhelum
- Lahore
- Gujranwala
- Sadiqabad
- Rawalpindi
- Sialkot
- Faisalabad

The candidates should have:

- ◆ MBA / M.Com / M.A (Eco) from a reputable institution.
- ◆ 2-3 years experience of working in the Credit or Foreign Trade department of a Bank with sound understanding and knowledge of Credit / Foreign Trade operations.
- ◆ Strong communication and computer skills.

Salary will commensurate with qualification and experience. Candidates who fulfill the above requirements may send their detailed Bio Data with a recent photograph, marked with the position applied for, latest by May 31, 2004 to:

Divisional Head, Human Resource Division

Askari Commercial Bank Ltd

AWT Plaza, The Mall, Rawalpindi or at [hrd@askariBank .com.pk](mailto:hrd@askariBank.com.pk)

We are an equal opportunity employer and encourage diversity

ASKARI COMMERCIAL BANK LTD.

**CAREER OPPORTUNITIES IN
HUMAN RESOURCE MANAGEMENT**

Askari Commercial Bank, one of the leading private sector Banks, gives a lot of emphasis on the development of its Human Resources. In order to strengthen its Human Resources Development team at the Head Office in Rawalpindi, we seek applications from HR professionals for the following positions:

MANAGER – H. R. DEVELOPMENT

Candidate should have an MBA or equivalent qualification in HRM, with at least 10 years of working experience in HR Development, and ability to initiate, develop, monitor and supervise the following initiatives:

- ◆ Job Evaluation and Job Analysis
- ◆ Career Planning for offices and executives
- ◆ Training Needs Assessment at all levels
- ◆ Performance based Appraisal System

OFFICERS – H. R. DEVELOPMENT

Candidates should have an MBA in HRM, with 2-3 years of work experience in H. R. Development, and should have clear concepts and knowledge of the specialized HR



Askari Commercial Bank Limited

Development functions.

We are seeking exceptional candidates who are well read, resourceful, versatile and creative, with strong academic background, good communication and computer skills.

Salary will commensurate with qualification and experience. Candidates who fulfill the above requirements may send their detailed Bio Data with a recent photograph, marked with the position applied for latest by May 31, 2004 to:

Divisional Head, Human Resource Division

Askari Commercial Bank Ltd

AWT Plaza, The Mall, Rawalpindi or at [hrd@askariBank .com.pk](mailto:hrd@askariBank.com.pk)

We are an equal opportunity employer and encourage diversity



Annexure-D

**ASKARI COMMERCIAL BANK LTD.
INTERVIEW FEEDBACK REPORT**

1 Name : _____ Date of Interview: _____

3 Position for which : _____ Location (Proposed) : _____
Being interviewed

5. Qualification : _____ Year of Passing: _____

6 Educational Institution : _____

7 Special abilities /
Qualifications, if any : _____

8. Family background : _____

9	Employment back ground & Experience as Officer	Name of Institution	Area of Experience	Period		Total
				Banking	Non-Banking	
	Last Employer	_____	_____	_____	_____	_____
	Other Employers	_____	_____	_____	_____	_____
	Clerical/Others	_____	_____	_____	_____	_____

10 Last salary : Basic Rs. _____ Gross Rs. _____
Liabilities Rs. _____

11 Reason for choosing Banking as career : _____

12 Interests : _____

13 Ambitions/plans : _____

14 Any problem in relocation : _____



(2)

OBSERVATION / RATING

(Please tick the appropriate box in the provided space)

	A	B	C	D
1. Education / Academic knowledge	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2. Grooming / Appearance	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3. Health / Physical fitness	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4. Expression / Communication	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5. Maturity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
6. Confidence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
7. Initiative / Drive	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
8. Intelligence	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
9. Job knowledge / Other Skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
10. Work interest / Career Hopes / Plans	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

OVER ALL ASSESSMENT

(Tick one only)

- Excellent ()
- Good ()
- Average ()
- Below average()

RECOMMENDATION

Position / Grade recommended for : _____

- Immediate hire ()
- Future ()
- Reject ()

ADDITIONAL COMMENTS / RECOMMENDATIONS (if any):

Interviewer's Signature: _____

Name & Designation: _____

In the A – D rating above please note that alphabets stand for A = Excellent, B = Good, C = Average and D = Below Average



**ASKARI COMMERCIAL BANK LIMITED
EMPLOYMENT APPLICATION FORM**

Attach in this space
a recent passport
size photograph

1. Type or print legibly in English:

Name:	Sex: M / F
Father's / Husband's name:	Marital Status:
	Date of birth (dd/mm/yy) :
Religion:	Place of birth:
Tel No:	Domicile:
Telex / Fax no:	N.I.C. No:

2. Family Background:

S.No.	Name	Relationship	Occupation / Designation

3. Brief Particulars of educational qualification in chronological order:

Degree	Institution	Subjects	Div./Grades	Year of passing

4. List any scholarships, honours, positions won:

--



5. Have you previously applied for a position in Askari Commercial Bank?
 Yes No. If yes, when?
 If offered an appointment, how much notice would you require reporting for duty?

6. What type of job are you applying for ?
 If applying for a managerial position, which of these, fields are you most interested / experienced in?
 (List only the top 3 in order of your preference) Give reasons for the preference:

a.	<u>Commercial Banking</u>	<input type="checkbox"/>	1.
	Credit	<input type="checkbox"/>	
	International	<input type="checkbox"/>	2.
	General	<input type="checkbox"/>	
b.	<u>Merchant Banking</u>	<input type="checkbox"/>	3.
c.	<u>Marketing</u>	<input type="checkbox"/>	
d.	<u>Human Resource Management</u>	<input type="checkbox"/>	

7. Particular of employment record in chronological order:

Employer	Starting Cadre	Last Cadre	Period		Total Years year / Month	Reason for leaving
			From (mm/yy)	To (mm/yy)		

8. Explain any gap(s) in your employment record:

9. Mention professional achievements (if any):

10. What Salary did you drawn from your last job ? Give a detailed breakdown.

Do you have any outstanding liability with your previous employer?
 Yes No



If yes, how much? Give a detailed breakdown with details of security.
How do you propose its adjustment?

11. Do you think your last job assignment / education has any relevance to the position you have applied for?

Yes

No

If yes, explain:

12. Why do you wish to apply for a job with Askari Commercial Bank Limited?

13. Why do you wish to apply for a job with Askari Commercial Bank Limited?

14. List two persons not related to you, whom we may contact, who have known you for at least four years, and who are familiar with your character and qualifications:

Name	Designation & Address	Whether friend, relation or a business acquaintance etc.

ENSURE THAT ALL QUESTIONS HAVE BEEN ANSWERED IN FULL BEFORE SIGNING THIS APPLICATION.

I, the undersigned, certify that the statements, made by me herewith are complete and true to the best of my knowledge. I understand that any willful misstatement may lead to disqualification or dismissal, if deployed.

Signature

Date



HUMAN RESOURCE DIVISION

CONFIDENTIAL

Job Description

Job Reference 001 –

I. PURPOSE OF THE JOB	
II. KEY RESULT AREAS	
III. MAIN DUTIES AND RESPONSIBILITIES	
II. DECISION-MAKING AUTHORITY:	
III. CONTACTS/WORK RELATIONSHIPS:	
Within department or organization	Purpose
•	
Outside the organization	Purpose
•	•



BIBLIOGRAPHY

- Format issued by the teacher as guideline.
- Course book “Human Resource Management”.
- Projects conducted on various banks and the industries by different groups at different times about their HR practices.
- Personnel research and experience of the banking sector.
- Interviews of the few officers and lower level employees of the bank.
- Visit to various banks and conducting surveys of their procedures.
- <http://www.skillsbase.dfes.gov.uk/downloads/SKT32.pdf>
- <http://www.headsjapan.com/en/marketreport/top.html>
- <http://www.irob.unsw.edu.au/html/wkngpapers/wp137.pdf>
- www.hsbc.com
- www.hsbccareers.com
- <http://www.asianrecruitment.com/HK.html>