

CHAPTER-1

PURPOSE OF THE STUDY

1.1 Objective of Study

The main objectives of this project are the following:

- To study the concept of recruitment and selection.
- To study the recruitment and selection procedure in ICICI BANK.
- To study SWOT analysis of ICICI BANK.
- To study about ICICI BANK and its related aspects like its products & services, history, organizational structure, subsidiary companies etc.
- To identify the probable area of improvement to make recruitment and selection procedure more effective.

1.2 SCOPE OF THE STUDY

The banking industry in India has a huge canvas of history, which covers the traditional banking Practices from the time of Britishers to the reforms period, nationalization to privatization of banks and now increasing numbers of foreign banks in India. Therefore, Banking in India has been through a long journey. Banking industry in India has also achieved a new height with the changing times. The use of technology has brought a revolution in the working style of the banks. Nevertheless, the fundamental aspects of banking i.e. trust and the confidence of the people on the institution remain the same. The majority of the banks are still successful in keeping with the confidence of the shareholders as well as other stakeholders. However, with the changing dynamics of banking business brings new kind of risk exposure.

The present study attempts to analyze the recruitment and selection process of ICICI BANK. The study will focus on recruitment steps and selection procedure of middle level and junior level of management. The period of submission of the report is from 18/06/2012-18/08/2012.

CHAPTER-2



INTRODUCTION

2.1 History

ICICI Bank was established in 1996 by the Industrial Credit and Investment Corporation of India, an Indian financial institution, as a wholly owned subsidiary. The parent company was formed in 1955 as a joint-venture of the World Bank, India's public-sector banks and public-sector insurance companies to provide project financing to Indian industry. The bank was initially known as the Industrial Credit and Investment Corporation of India Bank, before it changed its name to the abbreviated ICICI Bank. The parent company was later merged into ICICI Bank. ICICI Bank launched internet banking operations in 1998

ICICI's shareholding in ICICI Bank was reduced to 46 percent, through a public offering of shares in India in 1998, followed by an equity offering in the form of American Depositary Receipts on the NYSE in 2000. ICICI Bank acquired the Bank of Madura Limited in an all-stock deal in 2001, and sold additional stakes to institutional investors during 2001-02.

In the 1990s, ICICI transformed its business from a development financial institution offering only project finance to a diversified financial services group, offering a wide variety of products and services, both directly and through a number of subsidiaries and affiliates like ICICI Bank. In 1999, ICICI become the first Indian company and the first bank or financial institution from non-Japan Asia to be listed on the NYSE.

In 2000, ICICI Bank became the first Indian bank to list on the New York Stock Exchange with its five million American depository shares issue generating a demand book 13 times the offer size.

In October 2001, the Boards of Directors of ICICI and ICICI Bank approved the merger of ICICI and two of its wholly owned retail finance subsidiaries, ICICI Personal Financial Services Limited and ICICI Capital Services Limited, with ICICI Bank. The merger was approved by shareholders of ICICI and ICICI Bank in January 2002, by the High Court of Gujarat at Ahmadabad in March 2002, and by the High Court of Judicature at Mumbai and the Reserve Bank of India in April 2002.

In 2008, following the 2008 financial crisis, customers rushed to ATM's and branches in some locations due to rumors of adverse financial position of ICICI Bank. The Reserve Bank of India issued a clarification on the financial strength of ICICI Bank to dispel the rumors.

2.2 Introduction

ICICI Bank Limited is an Indian diversified financial services company headquartered in Mumbai, Maharashtra. It is the second largest bank in India by assets and third largest by market capitalization. It offers a wide range of banking products and financial services to corporate and retail customers through a variety of delivery channels and through its specialized subsidiaries in the areas of investment banking, life and non-life insurance, venture capital and asset management. The Bank has a network of 2,630 branches and 8,003 ATM's in India, and has a presence in 19 countries, including India.

The bank has subsidiaries in the United Kingdom, Russia, and Canada; branches in United States, Singapore, Bahrain, Hong Kong, Sri Lanka, Qatar and Dubai International Finance Centre; and representative offices in United Arab Emirates, China, South Africa, Bangladesh, Thailand, Malaysia and Indonesia. The company's UK subsidiary has established branches in Belgium and Germany.

ICICI Bank is India's largest private sector bank in market capitalization and second largest overall in terms of assets. The bank has a network of 1,626 branches and about 4,883 ATMs in India and presence in 18 countries.

The industrial credit and investment corporation of India limited (ICICI) was incorporated in 1955 at the initiative of World Bank, the government of India and representatives of Indian industry, with the objective of creating a development financial institution for providing medium– term and long- term project financing to Indian businesses. A.Ramaswami Mudaliar is elected as the first chairman of ICICI Limited.

CHANDA KOCHHAR is currently managing director and CEO of ICICI Bank. Kochhar has also consistently figured in fortune's list of "Most Powerful Women in Business" since 2005. KV Kamath who has been awarded Padma Bhushan award from the Indian government in 2008 is the Non-Executive Chairman of the Bank.

ICICI MILESTONES

- **1988:** Promoted TDICI – India's first venture capital company.
- **1996:** ICICI Ltd became the first company in the Indian financial sector to raise GDR.
- **1999:** ICICI becomes the first Indian company to get listed on the NYSE through an issue of American depository shares.
- **2000:** ICICI BANK became the first commercial bank from India to get its stock listed on the NYSE.

2.3 Geographical areas



- Haryana
- Mumbai
- Chennai
- Bangalore
- Delhi
- Karnataka
- Bihar
- Orissa

CHAPTER-3

COMPANY PROFILE

3.1 ORGANIZATION STRUCTURE OF ICICI BANK

- Retail banking.
- Wholesale banking
- Project finance and special assets management
- International business
- Corporate bank

Retail banking is banking in which banking institutions execute transactions directly with consumers, rather than corporations or other banks. Services offered include savings and transactional accounts, mortgages, personal loans, debit cards, and credit cards.

Wholesale banking is the provision of services by banks to the likes of Mortgage Brokers, large corporate clients, mid-sized companies, real estate developers and investors, international trade finance businesses, institutional customers (such as pension funds and government entities/agencies), and services offered to other banks or other financial institutions.

Project finance is the medium- to long-term financing of infrastructure and industrial projects based upon the projected cash flows of the project rather than the balance sheets of the project sponsors.

Special assets management

1. The management of a client's investments by a financial services company, usually an investment bank. The company will invest on behalf of its clients and give them access to a wide range of traditional and alternative product offerings that would not be to the average investors.
2. An account at a financial institution that includes checking services, credit cards, debit cards, margin loans, the automatic sweep of cash balances into a money market fund, as well as brokerage services.

An **International Banking Facility (IBF)** is a separate account established by a U.S. bank, or a US branch/subsidiary of a foreign bank, or an Edge Act Corporation in the United States to offer services to only non-US residents and institutions. The services offered include deposit and loan services. (Note, an IBF is not necessarily a separate legal entity.)

One Corporate Centre is an office skyscraper in Pasig City, Metro Manila, Philippines. It is the 13th-tallest building in the country and Metro Manila as well with a height of 202 meters (662.73 feet) ^[3] from ground to tip of architectural antenna. The building has 45 floors above ground including 7 floors for commercial purposes, and 9 basement levels for parking

3.2 VISION AND MISSION OF ICICI BANK

VISION

- To ensure most cost effective power for sustained growth of India.
- To provide clean and green power for secured future of countrymen
- Constituent associates & stakeholders.
- To continuously upgrade & update knowledge & skill set of its human resources.
- To achieve excellence in every activity we undertake

MISSION

We will leverage our people, technology, speed and financial capital to:

- Expand the frontiers of our business globally.
- Play a proactive role in the full realization of India's potential.
- Maintain high standards of governance and ethics.
- Create value for our stakeholders.
- To ensure most cost effective power for sustained growth of India.
- To provide clean and green power for secured future of countrymen.
- To achieve excellence in every activity we undertake

3.3 PRODUCTS AND SERVICES BANKING ACCOUNTS

3.31 ACCOUNT

ICICI Bank offers a wide range of banking accounts such as Current, Saving, Life Plus Senior, Recurring Deposit, Young Stars, Salary Account etc. tailor-made for every customer segments, from children to senior citizens. Convenience and ease to access are the benefits of ICICI Bank accounts.

- **YOUNG STARS ACCOUNT**

A special portal for children to learn banking basics, manage personal finances and have a lot of fun.

- **BANK@CAMPUS**

This student banking services gives students access to their account details at the click of a mouse. Plus, the student gets a cheque book, debit card and annual statements.

- **SAVINGS ACCOUNT**

Convenience is the name of the game with ICICI bank's savings account. Whether it is an ATM/debit card, easy withdrawal, easy loan options or internet banking, ICICI bank's saving account always keep you in touch of money.

- **FIXED DEPOSITES**

ICICI Bank offers a range of deposit solutions to meet varying needs at every stage of life. It offers a range of tenures and other features to suit all requirements.

3.32 INSURANCE

The ICICI group offers a range of insurance products to cover varying needs ranging from life, pensions and health, to home, motor and travel insurance. The Products are made accessible to customers through a wide network of advisors, banking partners, corporate agents and brokers with the added convenience of being able to buy online.

- **LIFE INSURANCE**

The ICICI group provides the many life insurance products through ICICI Prudential Life Insurance Company.

- **GENERAL INSURANCE**

The ICICI group provides the many general insurance products like motor, travel and home insurance through ICICI Lombard General Insurance Company.

3.33 LOANS

ICICI bank offers a range of deposits solutions to meet varying needs at every stage of life. It offers a range of tenures and other features to suit all requirements.

- **HOME LOANS**

The No. 1 Home Loans Provider in the country, ICICI Bank Home Loans offers some unbeatable benefits to its customers - Doorstep Service, Simplified Documentation and Guidance throughout the Process. It's really easy!

- **PERSONAL LOANS**

ICICI Bank Personal Loans are easy to get and absolutely hassle free. With minimum documentation you can now secure a loan for an amount up to Rs. 15 lakhs.

- **VEHICLE LOANS**

The No. 1 financier for:-

- 1. Car loans**

Network of more than 2500 channel partners in over 1000 locations. Tie-ups with all leading automobile manufacturers to ensure the best deals. Flexible schemes & Quick processing is the main advantages are here.

Avail attractive schemes at competitive interest rates from the No 1 Financier for:-

- 2. Two wheelers loans**

Finance facility up to 90% of the On Road Cost of the vehicle, repayable in convenient repayment options and comfortable tenors from 6 months to 36 months.

3.34 CARDS

ICICI Bank offers a variety of cards to suit different transactional needs. Its range includes Credit Cards, Debit Cards and Prepaid cards. These cards offer you convenience for financial transactions like cash, withdrawal, shopping and travel. These cards are widely accepted both in India and abroad.

- **CREDIT CARD**

ICICI Bank Credit Cards give you the facility of cash, convenience and arrange of benefits, anywhere in the world. These benefits range from lifetime free cards, Insurance benefits, global emergency assistance service, discounts, utility payments, travel discounts and much more.

- **DEBIT CARD**

The ICICI Bank Debit Card is a revolutionary form of cash that allows customers to access their bank account around the clock, around the world. The ICICI Bank Debit Card can be used for shopping at more than 3.5 Lakh merchants in India and 24 million merchants worldwide.

- **TRAVEL CARD**

ICICI Bank Travel Card. the Hassel free way to travel the world. Traveling with US Dollar, Euro, Pound Sterling or Swiss Francs; Looking for security and convenience; take ICICI Bank Travel Card. Issued in duplicate. Offers the Pin based security. Has the convenience of usage of Credit or Debit card.

3.35 INVESTMENT PRODUCTS

Along with Deposit products and Loan offerings, ICICI Bank assists you to manage yits finances by providing various investment options ranging from ICICI Bank Tax Saving Bonds to Equity Investments through Initial Public Offers and Investment in Pure Gold. ICIC IBank facilitates following investment products:

- Government of India Bonds
- Investment in Mutual Funds
- Initial Public Offers by Corporate
- Investment in "Pure Gold"
- Foreign Exchange Services
- Senior Citizens Savings Scheme

3.36TRADE SERVICES: ICICI Bank offers online remittances as well as online processing of letters of credit and bank guarantees.

3.37ASSET MANAGEMENT: Prudential ICICI Asset Management Company offers a wide range of retail mutual fund products tailored to suit varied risk and maturity profiles.

3.38 CASH MANAGEMENT: ICICI Bank offers a complete Range Of highly customized solutions for managing both the collections and payments requirements of clients by leveraging technology. Daily customized transactions reports and real time web-enabled downloads, provide on-tap information facilitating effective working capital management.

3.39 CORPORATE BANKING: ICICI Bank offers comprehensive and customized financial solutions for its corporate clients, including rupee and foreign currency debts, working capital credit, structured financing syndication and transaction banking products and services.

3.40 INTERNET BANKING: Internet banking is available to all ICICI Bank savings and deposit account holders, credit card, demat and loan customers. Internet banking service offers customers a world of convenience with services such as balance enquiry, transaction history, account statement, bill payments, and fund transfers and accounts related service requests.

3.41 ATMS: With more than 2500 ATMs across the country, ICICI Bank has one of the largest ATM networks in India.

3.42 PHONE BANKING: Phone banking offers 24*7 services across Liability, asset and investment products to both retail and corporate customers.

3.43 NRI-BANKING: A gamut of services to take care of all NRI banking needs including deposits, money transfers and private banking.

3.44 MONEY 2 INDIA: A complete range of online and offline money transfer solutions to send money to India.

3.45 PROPERTY: For millions of home buyers across the country, ICICI Bank offers not just great deals on home loans but also a wealth of expert advice. ICICI Bank offers home search service which can help a customer identify the property of his choice based on his budget and other requirements.

3.46 DEMAT ACCOUNTS: ICICI Bank's demat services offer unique features like e-constructions, consolidation, digitally signed statements, mobile requests and corporate benefit tracking.

3.47 RURAL BANKING: Bank offers technology-based solutions, financial innovations and multiple delivery channels to meet the financial needs of rural areas.

3.4 SWOT ANALYSIS OF ICICI BANK

Introduction to SWOT analysis.

The overall evaluation of the company's Strength, Weakness, Opportunities and Threats is called as SWOT Analysis. The external environment analysis of any business will give you the opportunities and threats facing the business. The external environment consists of two parts:

STRENGTH

- Right strategy for the right products.
- Superior customer service v/s competitors.
- Great Brand Image
- Products have required accreditations.
- High degree of customer satisfaction.
- Good place to work

WEAKNESS

- Lower response time with efficient and effective service
- Some gaps in range for certain sectors.
- Customer service staff needs training.
- Processes and systems, etc.
- Management covers insufficient.

OPPORTUNITIES

- Profit margins will be good.
- Could extend to overseas broadly.
- New specialist applications.
- Could seek better customer deals
- Fast – track career development opportunities on an industry – wide basis

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THREATS

- Legislation could impact.
- Great risk involved
- Very high competition prevailing in the industry.
- Vulnerable to reactive attack by major competitors
- Lack of infrastructure in rural areas could constrain investment
- High volume/low cost market is intensely competitive.

3.5 COMPITITORS INFORMATION

28/SEP/2012

NAME	NET INTREST INCOME (in cr)	NET PROFIT (in cr)	TOTAL ASSETS (in cr)
HDFC BANK	27286.35	5167.07	337909.49
ICICI BANK	33542.65	6465.26	473647.09
KOTAK MAHINDRA	6,180.24	1085.05	65,666.46
AXIS BANK	21994.65	4242.21	285627.79
YES BANK	6307.35	976.99	73662.12
CITY UNION BANK	1696.77	280.25	18350.65

Source: <http://www.moneycontrol.com/competition/icicibank/comparison/ICI02>

HDFC Bank Limited is an Indian financial services company based in Mumbai, Maharashtra that was incorporated in August 1994. HDFC Bank is the fifth or sixth largest bank in India by assets and the second largest bank by market capitalization as of February 24, 2012. The bank was promoted by the Housing Development Finance Corporation, a premier housing finance company (set up in 1977) of India. HDFC Bank has 1,986 branches and over 5,471 ATMs, in 996 cities in India, and all branches of the bank are linked on an online real-time basis.

Axis Bank Limited is an Indian financial services firm headquartered in Mumbai, Maharashtra. It had begun operations in 1994, after the Government of India allowed new private banks to be established. The Bank was promoted jointly by the Administrator of the Specified Undertaking of the Unit Trust of India (UTI-I), Life Insurance Corporation of India (LIC), General Insurance Corporation Ltd., National Insurance Company Ltd., The New India Assurance Company, The Oriental Insurance Corporation and United India Insurance Company. UTI-I holds a special position in the Indian capital markets and has promoted many leading financial institutions in the country. As on the year ended 31 March, 2012, Axis Bank had an operating revenue of 13,437 crores and a net profit of 4,242 crores.

Yes Bank is a private bank in India. It was founded by Ashok Kapur and Rana Kapoor, with the duo holding a collective financial stake of 27.16%. YES Bank has received significant national and international recognitions which include Mr. Rana Kapoor, Founder, MD & CEO being recognized as the **Entrepreneurial Banker of the Decade (2001-2010)** by Bombay Management Association, **India's No. 1 New Private Sector Bank** in the Financial Express-E&Y Best Banks Survey 2010, **India's Fastest Growing Bank of the Year** at the Bloomberg UTV Financial Leadership Awards 2011.

Kotak Mahindra Bank is an Indian financial service firm established in 1985. It was previously known as Kotak Mahindra Finance Limited, a non-banking financial company. In February 2003, Kotak Mahindra Finance Ltd, the group's flagship company was given the license to carry on banking business by the Reserve Bank of India (RBI). Kotak Mahindra Finance Ltd. is the first company in the Indian banking history to convert to a bank. Today it has more than 20,000 employees and Rs. 10,000 crore in revenue.

3.6 MARKET SHARE OF ICICI BANK

28/September/2012

Company name	52wk high	52wk low	Market capital (in crores)
HDFC BANK	639.25	400.45	148,189.76
ICICI BANK	1,086.75	641.00	121,961.81
KOTAK MAHINDRA	649.90	432.80	48,078.27
AXIS BANK	1,309.00	784.50	47,050.84
INdusInd BANK	354.15	221.75	16,642.11
YES BANK	389.40	230.55	13,603.44

- Source: <http://www.moneycontrol.com/stocks/top-companies-in-india/market-capitalisation-bse/banks-private-sector.html>

ICICI Bank, India's second-largest bank, is comfortable with a fall in market share as it rebalances its liabilities, and will be well placed to capitalize on opportunities when market conditions improve, its chief executive said.

"We are allowing for a correction to happen in our liability mix. If that warrants some recalibration of our market share, we are comfortable," chief executive K.V. Kamath said in an interview for the Reuters India Investment Summit. ICICI, which weathered a storm about its health when investors grew worried about its exposure to the global financial crisis after the collapse of Lehman Brothers in mid-September, has slowed lending as loan defaults rise. ICICI's share of deposits and loans in the Indian banking system has slid to 6.5 per cent as at September 2008 from 8.7 per cent in March 2007, according to three brokerages polled by Reuters.

3.7 THE KEY CHALLENGES

ICICI Bank Ltd's takeover of Bank of Rajasthan Ltd (BOR) will have to clear a new regulatory hurdle before it can be completed, according to a senior official in the industry ministry. Most banking mergers can move ahead once they get a green signal from the Reserve Bank of India (RBI), but the deal between India's largest private sector lender and the troubled regional bank will need to be cleared by the government as well because of the provisions of a controversial policy that categorizes ICICI Bank as a foreign-owned one; despite its local presence and Indian management. "The merger needs the approval of the FIPB (Foreign Investment Promotion Board) under Press Note 3. Under the Press Note 3 of 2009 series, if the ownership of an existing Indian company is transferred to a non-resident entity, as a consequence of transfer of shares to nonresident entities through amalgamation, merger or acquisition, then it would require FIPB approval. Private sector lenders ICICI Bank and HDFC Bank Ltd were defined as foreign-owned under the new rules since more than half their equity is owned by foreign entities, including foreign institutional investors, who have no board presence or say in company policy. This regulation is applicable in sectors with foreign direct investment (FDI) caps, such as defense production, private sector banking, broadcasting, commodity exchanges, insurance, print media, telecommunications and satellites, according to the press note. Any foreign firm trying to gain control of local companies needs the prior approval of FIPB. A spokesperson for ICICI Bank said the bank would not comment on any issue relating to BOR till the conclusion of its board meeting on 23 May.

At ICICI Bank, the selection process aims at getting applicants who are likely to succeed at various roles in the Bank. The Endeavour is to select people who have a high service orientation, are passionate about their career goals, and who display integrity and ethics in all engagements.

The growth in the balance sheet has come to a complete halt compared to a 40% average annual growth it posted in the period from 2005-08. The size of bank's balance sheet declined by 5.1% in FY 2009. In the days of the economic boom, the bank's growth was fuelled by an unprecedented growth in retail loans. In fact, even at the end of FY 2009, retail loans constituted 49% of its total loan book – the highest for any bank in India. As the slowdown started making

its presence felt in the Indian economy, the retail loan segment became rather risky. Interestingly, what had made the bank is today causing it a great deal of concern.

Feeling the heat, ICICI Bank, wisely, made it clear last year that more attention will be given to cleaning its books and taking stock of the situation than to grow. Not surprisingly, there is merit in paying more attention to its rising non-performing assets (NPA). The bank's net NPA jumped from 1.55% of its net advances at the end of March 08 to 2.09% at the end of March 09. At current levels, it has the highest NPAs, in percentage terms, across large banks in the country

Being proactive

ICICI Bank has been trying to tackle the slowdown from all means it has with one of them being cost containment. Its operating expenses declined 13.6% on a year-on-year (y-o-y) basis in FY09. A bulk of the cost reduction was achieved by bringing operational activities in-house, i.e. by reducing the role of direct marketing agents" noted Share khan in its research report.

It is also trying to improve the share of current and savings account (CASA) deposit, which attract lower interest rates and help in reducing the cost of deposit. CASA deposits formed 28.7% of its total deposits at the end of March 09 compared to 26.1% a year ago. This was evident during the analyst conference call for the FY09 results. At that point, Kochhar commented, "My intention is that we should at least get to about 33% of CASA ratio before we start pressing the accelerator on lending."

For now, the bank is still struggling as its profit dropped by 35.3% y-o-y for the March 09 quarter. Its performance is in stark contrast to its peers in the banking industry. For instance, SBI posted a 31.6% y-o-y growth in its net profit for nine months ending Dec'08. HDFC Bank posted a 41.2% y-o-y growth in its net profit in FY09.

For Kochhar, who has taken over the reins of the ICICI Bank from KV Kamath, the road ahead will be fraught with challenges. Some senior executives like Shikha Sharma, who headed ICICI Prudential Life Insurance and Renuka Ramnath, who headed ICICI Venture Capital have decided to move on. Without a doubt, Kochhar will have her hands full. The road ahead for ICICI Bank promises to be interesting

CHAPTER-4

4.1 INTRODUCTION

People are integral part of any organization today. No organization can run without its human resources. In today's highly complex and competitive situation, choice of right person at the right place has far reaching implications for an organization's functioning. Employee well selected and well placed would not only contribute to the efficient running of the organization but offer significant potential for future replacement. This hiring is an important function. The process of hiring begins with human resource planning (HRP) which helps to determine the number and type of people on organization needs. Job analysis and job design enables to specify the task and duties of jobs and qualification expected from prospective job HRP, job analysis, job design helps to identify the kind of people required in an organization and hence hiring. It should be noted that hiring is an ongoing process and not confined to formative stages of an organization. Employees leave the organization in search of greener pastures, some retire and some die in the saddle. More importantly an enterprise grows, diversifies, take over the other units all necessitating hiring of new men and women. In fact the hiring function stops only when the organization ceases to exist.

Hiring involves two basic activities:-

- i) Recruitment
- ii) Selection

4.2 RECRUITMENT

Definition:

According to Edwin B. Flippo, “Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization.”

The word ‘recruitment’ has many meaning and plays an important role. Employees leave the organization in search of greener pastures- some retire some die in saddle. The most important thing is that enterprise grows, diversifies, and takes over other units-all necessitating hiring of new men and women. In fact recruitment functions stop only when the organization ceases to exist. To understand recruitment in simple terms it is understood as process of searching for obtaining applications of job from among from which the right people can be selected. To define recruitment we can define it formally as it is a process of finding and attracting capable applicants for employment. The process begins when new recruit are sought and ends when their application are submitted. The result is a pool of applicants from which new employees are selected. Theoretically, recruitment process is said to end with receipt of application in practice the activity extends to the screening applicants as to eliminate those who are not qualified for job.

4.3 FACTORS AFFECTING RECRUITMENT

There are a number of factors that affect recruitment. These are broadly classified into two categories:

1. Internal factors
2. External factors

4.31 INTERNAL FACTORS

The internal factors also called as “endogenous factors” are the factors within the organization that affect recruiting personnel in the organization.

Some of these are:-

Size of the organization

The size of the organization affects the recruitment process. Larger organization finds recruitment less problematic than organization with smaller in size.

Recruiting policy

The recruitment policy of the organization i.e. recruiting from internal sources and external sources also affect the recruitment process. Generally, recruitment through internal sources is preferred, because own employees know the organization and they can well fit in to the organization culture.

Image of the organization

Image of the organization is another factor having its influence on the recruitment process of the organization. Good image of the organization earned by the number of overt and covert action by management helps attract potential and complete candidates. Managerial actions like good public relations, rendering public service like building roads, public parks, hospitals and schools help earn image or goodwill for organization. That is why chip companies attract the larger numbers of application.

Image of the job

Better remuneration and working conditions are considered the characteristics of good image of a job. Besides, promotion and carrier development policies of organization also attract potential candidates.

4.32 EXTERNAL FACTORS

Like internal factors, there are some factors external to organization, which have their influence on recruitment process. Some of these are given below:-

Demographic factors

As demographics factors are intimately related to human beings, i.e. employees, these have profound influence on recruitment process. Demographic factors include age, sex, Literacy, economics status etc.

Labor market

Labor market condition I.e. supply and demand of labor is of particular importance in affecting recruitment process. E.g. if the demand for specific skill is high relative to its supply is more than for particular skill, recruitment will be relatively easier.

Unemployment situation

The rate of unemployment is yet another external factor its influence on the recruitment process. When the employment rate in an area is high, the recruitment process tends to simpler. The reason is not difficult to seek. The number of application is expectedly very high which makes easier to attract the best-qualified applications. The reserve is also true. With low rate of unemployment, recruiting process tend to become difficult

Labor laws

There are several labor laws and regulations passed by the central and state governments that govern different type of employment. These cover working condition, compensation, retirement benefits, safety and health of employee in industrial undertakings.

The child Labour Act, 1986; for example prohibits employment of children in certain employments. Similarly several other acts such as the Employment Exchange Act, 1958; The Apprentices Act, 1961; the Factory Act, 1948; and The Mines Act, 1952 deal with recruitment.

Legal consideration

Another external factor is legal consideration with regard to employment reservation of jobs for schedule tribes, and other backward class (OBC) is the popular examples of such legal consideration. The supreme court of India has given its verdict in favor of 50 per cent of jobs and seats. This is so in case admission in the educational institutions also.

4.4 RECRUITMENT PROCESS

As stated earlier, recruitment is the process of location, identifying, and attracting capable applications for jobs available in an organization. Accordingly, the recruitment process comprises the following five steps:

- Recruitment planning;
- Strategy Development;
- Searching;
- Screening;
- Evaluation and Control.

4.5 SELECTION

MEANING AND DEFINITION.

Selection is the process of picking individuals (out of the pool of job applicants) with requisite qualifications and competence to fill jobs in the organization. A formal definition of Selection is:-

“ It is the process of differentiating between applicants in order to identify (and here) those with a greater likelihood of success in a job.”

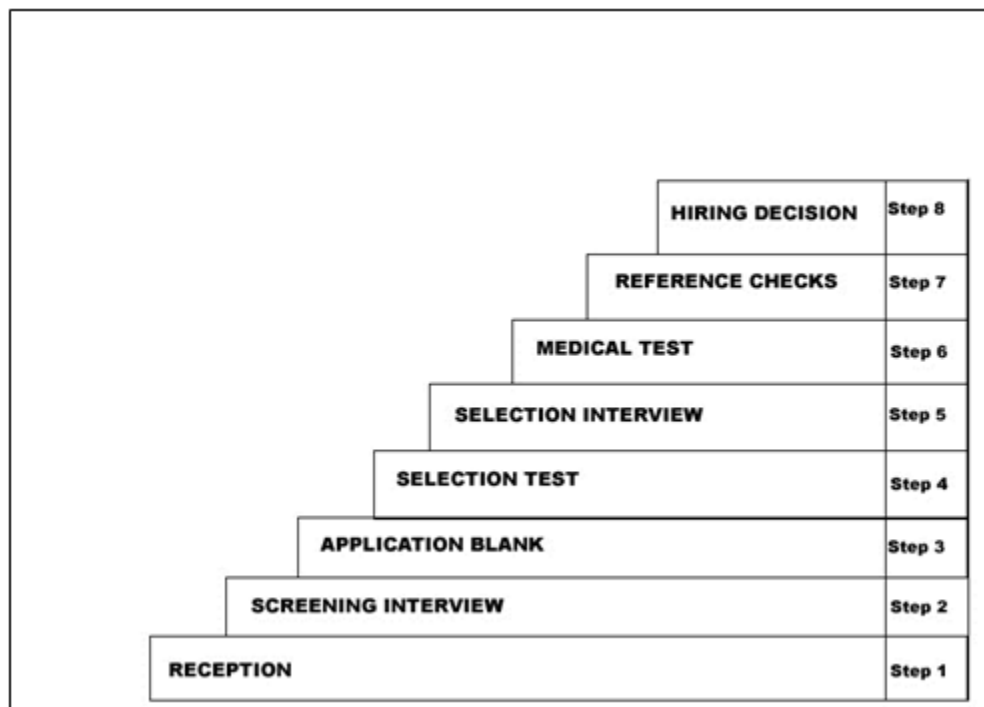
Recruitment and selection are the two crucial in the HR process and are often used interchangeably. There I, however, a fine distinction between the two steps. While recruitment refers to the process of identifying and encouraging prospective employees to apply for jobs, selection is concerned with picking the right candidates from the pool of applicants. Recruitment is said to be positive in its approach as it seeks to attract as many candidates as possible. Selection, on the other hand, is negative in its application in as it seeks to eliminate as many unqualified applicants as possible in order to identify the right candidates.

4.6 ROLE OF SELECTION

The role of selection in an organization's effectiveness is crucial for at least, two reasons; first, work performance depends on individuals. The best way to improve performance is to hire people who have the competence and the willingness to work. Arguing from the employee's viewpoint, poor or inappropriate choice can be demoralizing to the individual concerned (who finds himself or herself in the wrong job) and de-motivating to the rest of the workforce. Effective selection, therefore, assumes greater relevance.

Second, cost incurred in recruiting and hiring personnel speaks about volumes of the selection. Costs of wrong selection are greater.

4.7 STEPS IN SELECTION PROCESS



4.8 The Objectives of recruitment and selection procedures

OBJECTIVES

- To ensure all recruitment and selection procedures comply with the Equal Opportunity Policy.
- To ensure that all appointments are made on merit
- To develop and maintain procedures which will assist in ensuring the appointment of the most suitable candidate
- .To ensure that recruitment procedures are clear, valid and consistently applied by those involved in recruitment and that they provide for fair and equitable treatment for those who apply for employment.

SCOPE

1. To structure the Recruitment policy of company for different categories of employees.
2. To analyze the recruitment policy of the organization.
3. To compare the Recruitment policy with general policy.
4. To provide a systematic recruitment process.
5. It extends to the whole Organization. It covers corporate office, sites and works appointments all over India.
6. It covers workers, Clerical Staff, Officers, Jr. Management, Middle Management and Senior Management cadres

4.9 RECRUITMENT AND SELECTION PROCEDURE IN ICICI BANK

“The art of choosing men is not nearly so difficult as the art of enabling those one has chosen to attain their full worth”.

Recruitment is the process by which organizations locate and attract individuals to fill job vacancies. Most organizations have a continuing need to recruit new employees to replace those who leave or are promoted in order to acquire new skills and promote organizational growth.

Recruitment follows HR planning and goes hand in hand with selection process by which organizations evaluate the suitability of candidates. With successful recruiting to create a sizeable pool of candidates, even the most accurate selection system is of little use

Recruiting begins when a vacancy occurs and the recruiter receives authorization to fill it. The next step is careful examination of the job and enumeration of skills, abilities and experience needed to perform the job successfully. Other steps follow:

- v Creating an applicant pool using internal or external methods
- v Evaluate candidates via selection
- v Convince the candidate
- v And finally make an offer

Scope: To define the process and flow of activities while recruiting, selecting and appointing personnel on the permanent rolls of an organization.

Authorization:

S.No.	Authorized Signatory
1	Head- Human resource
2	Managing director

Amendments and deviations:

Any amendments to and deviations from this policy can only be authorized by the Head-human Resources and the Managing Director.

Exclusions:

The policy does not cover the detailed formalities involved after the candidate joins the organization.

ACTIVITY FLOW

The organization philosophy should be kept in mind while formulating the recruitment procedure.

The HR department would set the recruitment norms for the organization. However, the onus of effective implementation and compliance with the process rests with the heads of the respective functions and departments who are involved in the recruitment and selection process.

The process is aimed at defining the series of activities that needs to be performed by different persons involved in the process of recruitment, the checks and control measures to be adopted and information that has to be captured.

Recruitment and Selection is conducted by:

v HR & Branch Manager

v Functional Head

RECRUITMENT PLANNING

Recruitment planning on the basis of budget

- A. The manpower planning process for the year would commence with the company's budgeting activity. The respective Functional heads would submit the manpower requirements of their respective functions/ departments to the board of Directors as part of the annual business plan after detailed discussion with the head of human Resource Function along with detailed notes in support of the projected numbers assumptions regarding the direct and indirect salary costs for each position.
- B. A copy of the duly approved manpower plan would be forwarded by the HR department for their further actions during the course of the year. The annual budget would specify the manpower requirement of the entire organization, at different levels, in various functions/departments, at different geographical locations and the timing of the individual requirements. It would also specify the requirement budget, which is the cost allotted towards the recruitment of the budgeted staff and the replacement of the existing employees. The manpower plan would also clearly indicate the exact time at which the incumbent should be on board in such a way that the Regional HR has adequate notice for the time lapses involved in sourcing any other activities.
- C. The Regional HR's would undertake the planning activity and necessary preparations in advance of the anticipated requirements, as monthly and quarterly activities on the basis of the approved budget, estimated separations and replacements therefore.
- D. The vacancies sought to be filled or being filled shall always be within the approved annual manpower budget and no recruitment process shall be initiated without the formal concurrence of the Head of the Regional HR under any circumstance. Head of the Regional HR shall also have the responsibility to

monitor the appointments being considered at any point of time with specific respect to the duly approved manpower budgets.

Review of Manpower Plans and Additional Manpower

A. Review of manpower budgets shall take place on a quarterly basis. In the event of any new position or any deviations to the original plans, details of the positions maybe forwarded to the VP-HR along with the adequate supporting information. The recommendations would normally require a formal approval of the Managing Director. Alternately, VP-HR may record the summary of his discussion with the Managing Director and the MD's approval on the recommendations, to signify the final decision taken regarding the recommendations.

SOURCING OF SUITABLE CANDIDATES

Selection of Sources

Regional HR would tap various sources/channels for getting the right candidate. Depending on the nature of the position/grade, volumes of recruitment and any other relevant factors, the Regional HR would use any one multiple sources such as:

- v Existing database (active application data bank);
- v Employee referral as per any company scheme that may be approved from time to time;
- v Advertisement in the internet/newspapers/magazines/company's sites/job sites or any other media;
- v Placement Agencies (particularly for positions of Managers and above);
- v Headhunting firms particularly for senior positions, specialist positions and critical positions;
- v Direct recruitment from campuses/academic institutes;

- v Job websites and

- v Any other appropriate sources.

The norms for using any of the sources are not water tight. Number of positions, criticality of positions and the urgency of the positions, confidentiality requirements, relative efficacy and cost considerations would play a role in the choice of the appropriate sourcing mechanism.

ADVERTISEMENTS

- v All recruitment advertisements (in any form and any medium) shall always conform to the KLI compliance norms and would not be released by any department or branch without the approval of the VP-HR. depending on the specifics of each position for which recruitment advertisements are to be released, Regional HR may obtain assistance from the company's marketing department and/or any external advertising agencies for the preparation of the contents. Key features of the positions as notified by the Functional Heads would normally form a part of the advertisement text.

- v The media for releasing advertisement would depend on the level of the position being considered and the urgency of the requirements.

- v The advertisement mode that could be broadly specified as newspapers (local or mainline depending on requirements), internet sites and business magazines.

Placement Agencies/Headhunting Agencies

- v Depending upon the vacancies, fresher fitting different description listed above may be recruited from time to time, from academic institutes of appropriate standards/reputation/grade, in the requisite numbers and at the compensation/stipend amounts to be formally approved of the VP-HR. Plans for such recruitment need specific special approval of VP-HR. norms regarding the identification of the appropriate institutes, constitution of the selection panels, timings of the recruitment, number of candidates to be recruited into different positions, choice of the appropriate selection process and the tools thereof shall be decided by the Head of the Regional

HR in consultation with the VP-HR, depending on the specific features of the position.

Screening the candidates

First level screening

The Candidates would be screened by the HR Manager/Branch Manager for the respective locations. Screening would be on the basis of the profile of the candidate and the departmental requirements.

This assessment will be with respect to:

- a. The general profile of the candidate,
- b. Personality fit of the candidate into the profile,
- c. Aptitude/attitude of the candidate,
- d. Motives of the person to join the company and whether focus is in the short term or is a long term player,
- e. Basic skill level on our set of requirements, say numerically ability, networking ability, etc
- f. Establish the annual guaranteed cash compensation of the individual and check whether the person would fit into the system.
- g. Explain the role of Sales manager to the applicant and check the acceptance of the candidate for the same.

In case of need, the Regional HR may take a Tele interview of the candidate for further assessment process.

Second Level Screening

Aptitude Test

If the first assessment is positive, the candidates will give the aptitude test, once such test is selected approved by the company. The scoring, interpretation and the generation of interview probes from that test will also be done at this time. People who qualify the minimum criteria on this test will be put up on to the Functional Head (VP's in case of HO) for functional assessment and suitability into the role.

Tied Agency Sales Manager candidates short listed by the BM have will then take sales Aptitude test, once such a test is finalized. For the final selection, the regional Manager (Business Heads for HO) will meet the candidates short listed by the branch manager/VP. The chart specifying the Minimum approval level for each level of recruitment is specified below:

Category	Branch Manager/Chief Manager	Area Manager/AVP/VP	Business Heads	Managing Director
CSE/ADVISORS	Yes	No	No	No
BIC	Yes	Yes	No	No
BM/CM	Yes	Yes	Yes	No
SM	Yes	Yes	Yes	Yes

General Norms regarding interview Process:

- A. Interviews should consider the entire data provided by the candidate either through the formal CV or otherwise before coming to a conclusion about the candidate. They may insist on seeing the proof of the claims made by the candidate regarding qualifications, experience and other achievements. They may, at their discretion, decide to meet the candidate on more than one occasion or to refer the candidate to another panel.

- B. Ratings on various attributes of the candidates shall be recorded in the interview evaluation sheet, soon after the interview is over. Along with these numerical ratings, qualitative observations about the candidate and overall decision regarding selection or otherwise (including a decision to defer the induction, referral to another panel, considering for another position) shall be forwarded to the associated Recruitment Manager/ Head of Regional HR. Individual panel members have the option of appending their additional remarks/observations. No selection will be treated as final unless the IES form is filled comprehensively. Suitably appropriate IES formats may be created for specific positions.
- C. Any discrepancies noticed by the panel members regarding the authenticity of the data provided by the candidate should be specifically and formally recorded on the IES form and suitably high lightened.
- D. Specific points to be probed during the reference check process, if any, must also be clearly recorded and high lightened on the IES forms.

Administrative Actions Regarding Interviews

- A. Scheduling and the venue of the interviews would be handled by the recruitment team in consultation with the short listed candidate and the selection panel members, after taking mutual convenience into account. For field positions, respective branch/regional heads would undertake this co-ordination.
- B. After the final round, if the candidate is selected, the complete set of papers Personal Data Form, CV, job requisition no., Interview evaluation sheet ,reference check details, educational details, along with the interviewer's recommendations and Reference check form should be forwarded by the recruitment managers to recruitment head. Fitment of the candidate into a grade and compensation fitment shall be on the assumption of authenticity of the information provided in the CV/application form.
- C. An appropriate formal communication shall be sent to the candidate whose candidature is not being taken forward, or details of the verbal/telephonic communications provided to the candidate shall be recorded on the candidates

papers, by the recruitment team/associated line managers. In the case of interviews taking place at the branch/regional levels, similar noting should be recorded on the individual candidate's papers.

Negotiations of the terms and conditions and other pre-appointment formalities

- A. In the case of sales-Tied Agency functions, the branch managers will be allowed to fix the salary and grade of the incoming sales manager, provided the compensation does not exceed 20% of the candidates current cash salary. Any fitment beyond this norms will need the approval of Head-HR. HR will forward a worksheet to support the BM's to evaluate the appropriate cash CTC of the incumbent. For all other functions, the compensation and grade would be fixed post a discussion between the Head of the Regional HR and the associated AVP/VP. Any candidate being offered a CTC of more than 4lacs will need the sign off from HEAD-HR. In appropriate cases, at the discretion of the VP-HR, a deviation may be referred to the Managing Director, for the MD's formal approval.
- B. Responsibility for negotiations and finalization of the terms shall rest with the best Branch Manager/Associated Manager. They may seek the assistance of the recruitment managers, whenever required. Reference checks process should not normally be initiated unless the candidate has indicated his firm acceptance of the offer being made by us.

Reference checks

- A. Normal, reference checks should be undertaken with at least one reference. A second reference check will be done if considered necessary. Responsible officials from the former employers, academic institutes and/or any other eminent personalities can be considered as appropriate references. Close relatives and friends cannot be considered as references. Wherever feasible and considered appropriate, a reference should be made with a senior official of the candidate's current employer. In case the candidate is currently un-employed, reference

should be made with the latest employer. The format of reference check is to be used as a framework for conducting the process.

- B. Where the minimum two reference checks are not possible (particularly with the current employer) or where there is a mixed response from different sources, the matter may be to the VP-HR for a final decision. Depending on the seniority and any other considerations about the positions, VP-HR would normally consult the functional head concerned, before coming to conclusions. Any candidate whose credentials are doubtful shall not be recruited.
- C. In case of recruitment of Management trainees, fresher and life advisors as sales Managers no reference checks will be required.

Employment offer letter

- A. When a recruitment Manager is fully satisfied about the selection of the right candidate and about completion of all the formalities connected with the appointment of candidate including requisite documentation, satisfactory reference check reports and medical fitness, he/she would forward the relevant papers listed below to the head of recruitment.

Ø Personal Data form

Ø Employee requisition form duly filled by the regional Head/Branch Manager

Ø Interview evaluation sheet filled by the regional head/Branch manager/interviewer with his/her comments.

Ø Latest and updated resume of the candidate

Ø Photocopy of the appointment letter of the last employer or latest salary slip.

Ø Employment details.

Ø Two Professional references.

Ø Language Proficiency.

B. Document check list for every grade is as follows:

Ø Authorization Release Form.

Ø Background check Form.

Ø Highest Education certificate.

Ø Highest Education mark sheet.

Ø 1 Month Salary Slip of Current Employer.

Ø 1 Month Salary Slip of Last Employer.

Ø Relieving Letter of last Employment.

Ø Proof of Residence.

Ø 2 Passport Size Photograph.

C. Regional HR manager will take the signature of Head-HR on the employee requisition form and forward the papers to the employee service team for issuance of the offer letter.

D. Employee services team will issue offer letter, to be signed by the National Recruitment Manager or Chief Manager-HR, and send the same to the concerned Branch Manager/ HR Manager.

E. It would be the responsibility of the Branch Manager/HR Manager to ensure that the accepted copy of the offer letter is forwarded to the employee service team within a week of receipt of the offer letter. Till this letter is issued, the 'offer' has not taken place in formal sense. A copy of the offer letter shall be duly signed and returned to the candidate. Candidate would be expected to fulfill various joining

formalities, which are also formally communicated to him/her in the form of a checklist that is attached to the letter of offer. The Regional HR head shall have the overall responsibility and accountability to maintain the templates of the offer letters and also for drafting of suitable non-standard terms to any specific candidate.

- F. The employee service team will follow up Branch Manager/Regional HR Manager for the joining of the candidate and will collect all relevant documents from the candidate including the joining report, before issuing the appointment letter. *The employee service team may enlist the help of the Branch Manager to ensure that all necessary documents within ten days of the person joining.* After the of all necessary documents, the employee service team will send the appointment letter to the new joiner.
- G. Once the documentation is complete for the new joiner (including the accepted appointment letter), people who may have joined before 20th of the month but have not been included in the payroll for the month because of delay in receipt of papers will be given ad-hoc salary advance (up to maximum of 65% of the pro-rated salary). This advance will be adjusted once the person gets included in the subsequent month's payroll.
- H. If the person does not submit the relieving letter from the previous organization, where required to be submitted as per the table given above, within three months of joining, the employee service manager can put their salary on hold till such time as the said documents are received.

Key tasks of Regional HR Head

Regional HR Head will have the authority and responsibility to administer/implement the recruitment and selection process as outlined. An illustrative list of the key deliverables of these incumbents is listed below.

- v Ensuring inductions as per quality, numbers, time and cost consideration of the company in accordance with the approved manpower budget.
- v Creation of appropriate sourcing mechanism along with tracking the performance of these mechanisms.
- v Creation of quarterly and monthly recruitment plans
- v Effective coordination with external parties such as candidates, placement agencies, consultants, academic/professional institutes and any other including the custody of the formal agreements , tracking timely payments and adjusted thereto
- v Creation of comprehensive and appropriate tools, linkages, documents, templates and any other mechanisms to ensure smooth execution of the process requirement, along with timely improvements thereto
- v Assistance to user department and line managers including in interviewing/selection support, scheduling etc.
- v Effective internal communication with user departments and line managers including making the standard recruitment formats and other templates easily available to such users and notifying the modifications to such formats and templates.
- v Creation and maintenance of qualitative information base regarding candidates, placement agencies, campuses, institutes, and any other employment-market information.

- v Creation and maintenance of appropriate and high-quality MIS for current and future needs of the organization, including publication/circulation of appropriate reports there from to the relevant users within the company.
- v Monitoring recruitment costs
- v Complete documentation for the entire recruitment and selection process for easy and quick retrieval in a readily auditable format
- v Timely and effective communication with all internal and external parties including the candidates
- v Tracking the progress of the selected candidates including resignation, extensions of probation periods/training period, etc for the purpose of improvement to recruitment and selection process.
- v Effective coordination with the post recruitment arm of the Human Resource function
- v Documentation and creating MIS regarding waiver, deviation, etc and identifying the key areas for improvement in the formal recruitment and selection process document.

CHAPTER-5

5.1 FINDINGS

Recruitment process is one of the very important processes for any organization. This study proves that it's one of the major operations of the ICICI Bank. This study helps to understand what the internal or external sources of recruitment are & also include the internal or external forces which effects process. It also includes those factors which are used to control the effects of external or internal sources. This report also includes the selection processes of the bank, how they do that and what are the various ways to choose best candidates, tried to make clear all the points which related to recruitment process and selection process. In ICICI the recruitment policy spells out the objective and provides a framework for implementation of the recruitment programme in the form of procedures. The bank involves a commitment to broad principles such as filling vacancies with best qualified individuals. In a bank ICICI, there usually a staff unit attached with personnel or an industrial relations department designated as employment or recruitment office. This specialization of recruitment enables staff personnel to become highly skilled in recruitment techniques and our evaluation. However, recruitment remains the line responsibility as far as the personnel requisition forms are originated by the personnel, who has the final words in the acceptance or rejection of a particular applicant. Recruitment is a very important process in any organization, because it's related to human resources, of the company, who have to perform according to their ability and skills, so every organization have to take care about their recruitment processes. Any financial organization like ICICI should take care about internal or external sources, which related to recruitment process or the selection process.

5.2 CONCLUSION

Based on the analysis the following is the conclusion of the study.

The organization follows the rules and regulation involved in their recruitment and selection procedure of the organization. However, there is some scope for improvement with regard to following:

- The recruitment and selection procedure should not be lengthy.
- To some extent a clear picture of required candidates should be made in order to search for appropriate candidates.
- The recruitment and selection procedure should be impartial.
- The sources of recruitment can be more extensive.

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