

BUSINESS STUDIES



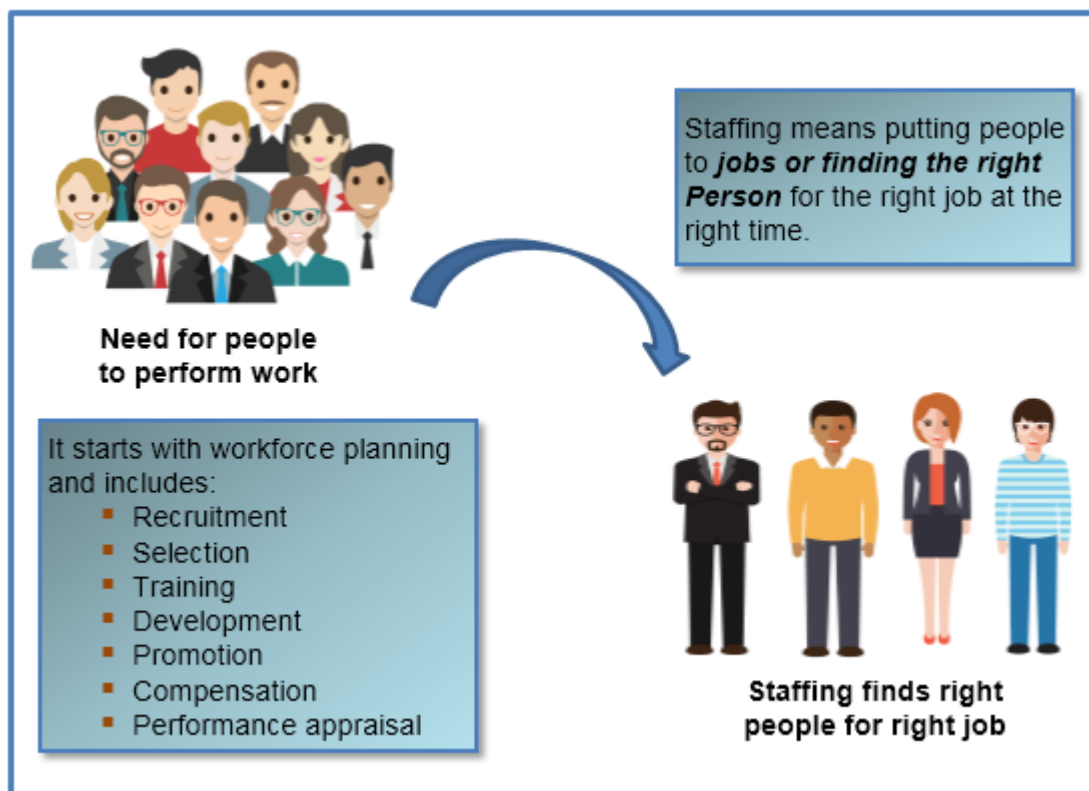
Staffing

Topics Covered

- ✚ Concept of staffing
- ✚ Importance of staffing
- ✚ Staffing as a part of human resource development
- ✚ Process of staffing
- ✚ Components of staffing

Concept of Staffing

- Staffing is the **function of management** which takes care of the **manpower requirement** of an organisation.
- In the complex business environment where **rapid continuous changes take place** in technology, market preferences and size of organisations, it becomes essentially critical to find appropriate and **suitable personnel for the job**.
- Thus, **proper staffing** is important for an organisation.



Importance of Staffing for an Organisation

- 1) **Finding competent personnel:** Staffing function of management helps in finding and selecting the most suitable personnel for a job.
- 2) **Improves efficiency:** By ensuring that the **right personnel** are assigned the **right job**, it helps in improving efficiency and performance in the organisation.

- 3) **Growth and survival of the organisation:** Proper staffing ensures that the **most competent and efficient person** is employed for the task. In this way, it helps in the **survival and overall growth** of an organisation.
- 4) **Optimum utilisation of human resources:** It helps in **avoiding** the situations of both **shortage of personnel** and **over manning**. In this way, it helps in the optimum utilisation of human resources.
- 5) **Job Satisfaction:** Proper staffing function ensures that employees get fair compensation rewards. This helps in boosting self-confidence and provides employees with job satisfaction.

Staffing and Human Resource Management

- Concerned with **development and management of human resources** in an organisation
- Human resource management is a broad concept
- Activities forming part of Human Resource Management:
 - Searching for qualified people, i.e. recruitment
 - **Analysing** and collecting information about jobs for preparing job descriptions
 - Developing compensation and incentive plans
 - **Training** and **development** of employees
 - Maintaining **labour relations** and **union management relations**
 - Handling **grievances** and complaints
 - Providing for **social security** and welfare of employees
 - **Defending the company** in lawsuits and avoiding legal complications

Process of Staffing

- Staffing involves **various stages such as recruitment**, selection, placement, orientation and training. With the staffing function, the human element of an organisation is managed.
- The **overall efficiency** of the organisation is determined based on how well this function is performed.
- Various organisations **develop a separate department** known as the Human Resources Department specifically for this function.
- Various activities and tasks related **to staffing are performed by specialised managers in this department**. In addition, they work towards **labour grievances**.
- Staffing need **not be separately** performed by a particular department; rather, it is to be **performed by every manager**.
- Being an **integral part** of management, managers must watch if there is any vacant job position or if **additional personnel** are required.
- As managers **directly deal** with the work, they know what qualifications, **skills and aptitude** are required for a specific job.
- They can perform the **staffing function** more **efficiently** and are able to **select the right source** of recruitment and carry on the selection process.
- Other **important aspects of staffing** are appraisal, promotions and career planning.



Process of Staffing	
1) Estimation of required manpower	<ul style="list-style-type: none"> The number of persons and the kind of persons required in the organisation must be estimated. Involves the following two steps: <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <div style="background-color: #92d050; padding: 5px; border: 1px solid black; margin-bottom: 5px;">Workload Analysis</div> <div style="background-color: #d9ead3; padding: 10px; border: 1px solid black;">Assessment of <i>number and types of human resources</i> necessary for the <i>performance of various jobs</i></div> </div> <div style="text-align: center;"> <div style="background-color: #92d050; padding: 5px; border: 1px solid black; margin-bottom: 5px;">Workforce Analysis</div> <div style="background-color: #d9ead3; padding: 10px; border: 1px solid black;">Reveal the <i>number and type available</i> in the organisation</div> </div> </div> <div style="text-align: center; margin-top: 10px;"> <div style="border: 1px solid black; padding: 10px; width: fit-content; margin: 0 auto;"> Reveals whether an organisation is <input type="checkbox"/> Understaffed → Recruitment <input type="checkbox"/> Overstaffed → Removal/ transfer of employees <input type="checkbox"/> Optimally staffed </div> </div> <ul style="list-style-type: none"> Two-step analysis helps in determining whether there is any overstaffing or understaffing in the organisation. Based on this, the staffing process is carried out. For example, in a situation of understaffing, additional personnel would be required, and on the other hand, in a situation of overstaffing, some existing personnel may be removed.
2) Recruitment	<ul style="list-style-type: none"> Refers to searching for prospective candidates and convincing them to apply for job vacancies.

	<ul style="list-style-type: none"> For the recruitment process, internal sources (transfers and promotions) and external sources (advertising and placement agencies) can be used. With this process, a pool of prospective candidates is created which then forms the basis of further selecting suitable candidates.
3) Selection	<ul style="list-style-type: none"> Process of choosing from among the pool of the prospective job candidates developed at the stage of recruitment. <div style="text-align: center;"> <pre> graph TD A[Objectives of Selection] --> B[Organisation gets the best among the available options] A --> C[Enhances the self esteem and prestige of selected candidates] </pre> <p>The diagram shows a central box labeled 'Objectives of Selection' with two arrows pointing down to two separate boxes. The left box states 'Organisation gets the best among the available options' and the right box states 'Enhances the self esteem and prestige of selected candidates'.</p> </div> <ul style="list-style-type: none"> The procedure comprises a series of tests and interviews. Candidates who are able to successfully clear the process are selected, while the others are rejected. Emphasis must be laid on a rigorous selection process such that the most competent candidates get selected, and thereby the working efficiency of the organisation improves. A person who successfully undergoes the interview and passes the tests is given the employment contract.
4) Placement and orientation	<ul style="list-style-type: none"> Placement refers to occupying of the post by the candidate for which he has been selected. Orientation refers to the introduction of the selected new employee to his/her superiors, subordinates and colleagues, and familiarising him/her with the rules and policies of the organisation.
5) Training and development	<ul style="list-style-type: none"> Training is concerned with upgradation of the knowledge and skills of employees so that their ability to perform can be enhanced. Development is the process of learning and growth so that skills and competencies can be acquired to do higher level jobs.
6) Performance appraisal	<ul style="list-style-type: none"> Performance appraisal refers to the evaluation of performance of employees against some standards. Standards are informed to employees well in advance. Superiors prepare a feedback report based on the performance appraisal.
7) Promotion and career planning	<ul style="list-style-type: none"> Promotion refers to placement of an employee at a higher job position with higher responsibility, facilities, status and pay. Promotion is on the basis of the feedback report of employees.

8) Compensation

Compensation refers to the *price paid for the job and includes pay, rewards and other incentives and indirect payments* which are given to employees.

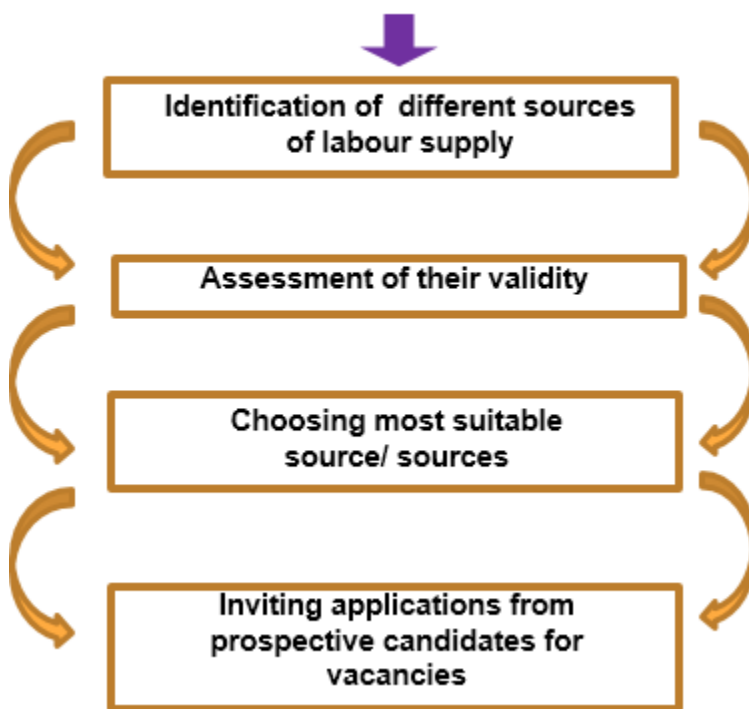
- **Direct payments:** Wages, salaries etc.
- **Indirect payments:** Medical facility, insurance etc.

Direct Financial Payments

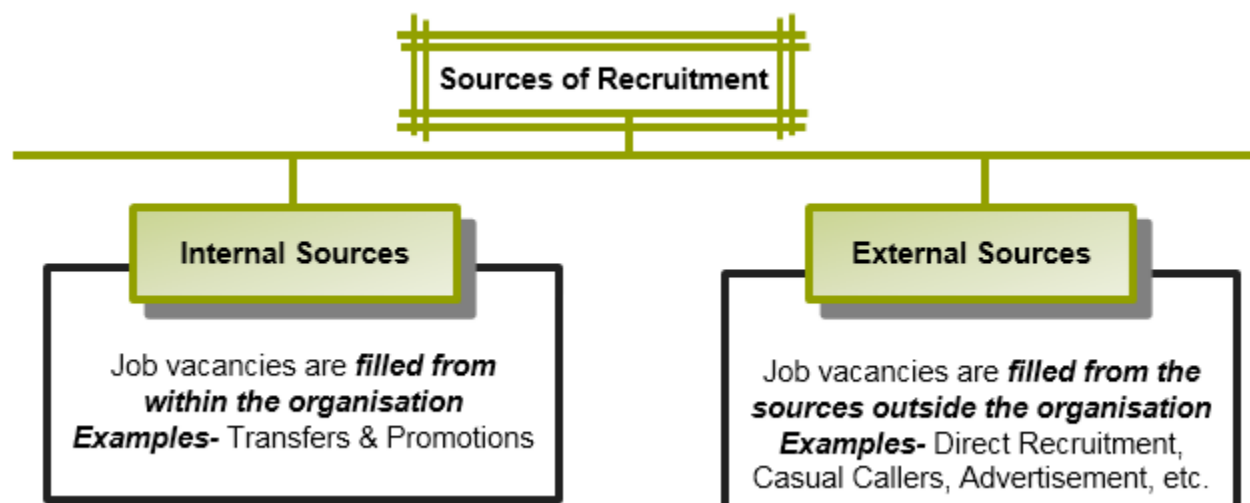
- Time based payment
- Performance based payment

Recruitment

Recruitment is the process of searching for prospective candidates and convincing them to apply for job vacancies.

Activities involved in Recruitment Process

Important Sources of Recruitment

**A. Internal Sources**

Internal sources of recruitment are the ones where job vacancies are filled from within the organisation. It can take the following forms:

1) Transfers

- Employees are **shifted from one job to another, one department to the needed department or from one shift to another.**
- There is no significant change in the **responsibility, job position or salary of transferred employees.**
- It is a **horizontal process of movement of employees.**

2) Promotions

- Job vacancies in **higher positions** are **filled by promoting employees from lower level job positions.**
- Promoted employees are **offered greater responsibilities, higher job position and more authority.**
- **It is a vertical process** as employees are shifted vertically.

B. External Sources

External sources of recruitment are the ones where job vacancies are filled from sources outside the organisation. It can take the following forms:

1) Direct Recruitment

- An organisation **places a notice on the notice board** specifying the details about job vacancies such as the number of vacancies, required qualifications of candidates and date of interview.
- Interested candidates **read this information and attend the interviews**; selection of these candidates is done on the spot.
- This practice is undertaken especially for **unskilled or semi-skilled workers.**
- These workers are paid remuneration on a **daily wage basis.**
- It is an **inexpensive method** of recruitment.

3) Casual Callers

- Recruitment is from a **list of applications from job seekers maintained along with their contact information.**
- It is a **cheap source** of recruiting as compared to other sources.

4) Advertisement

- Advertisements are placed in **newspapers or trade journals** when there is a requirement of a **wider choice.**

	<ul style="list-style-type: none"> It is helpful in filling vacancies for senior positions in an organisation. It may bring a wide range of responses.
5) Employment Exchange	<ul style="list-style-type: none"> Employment exchanges serve as a link between job seekers and employers. Exchanges are generally run by the government and are used for recruitment of unskilled and skilled job positions. Many a times, records of the employment exchange are not updated and candidates referred by them are unsuitable.
6) Placement Agencies	<ul style="list-style-type: none"> Private agencies and professionals match personnel demand and supply. They have a database of a large number of job seekers which is compiled, and suitable candidates are recommended to clients. It helps to recruit all kinds of persons, and in return, a nominal fee is charged for the services provided to clients.
7) Campus Recruitment	<ul style="list-style-type: none"> Recruitment of fresh graduates directly from colleges and universities is now a popular source of recruitment. Mostly big organisations hire from colleges and various engineering and management institutions.
8) Recommendation of Employees	<ul style="list-style-type: none"> Applications from friends and relatives of current employees prove to be a beneficial source of recruitment. It is considered a good and relevant source of recruitment as the background of candidates is already known.
9) Labour Contractors	<ul style="list-style-type: none"> Labour contractors maintain close contacts with labourers and can provide a workforce at short notice. Generally semi-skilled or low-skilled labour is hired by labour contractors. Labour contractors are employees of an organisation. Workers will leave if the contractor himself leaves the organisation.
10) Advertising on TV	<ul style="list-style-type: none"> Vacant posts are advertised on television. Complete details including requirements, eligibility, last date, etc. are displayed in the advertisement.
11) Web Publishing	<ul style="list-style-type: none"> Many websites provide information related to various job openings and job seekers. Job seekers post their relevant details along with their updated resume on the website.

Internal Sources

Merits	Demerits
Promotion of one will lead to a chain of promotions which always inspires employees to work with commitment	Scope for induction of fresh talent is reduced
Filling jobs internally is cheaper than hiring fresh candidates from outside	Time bound promotions may make employees lethargic
Candidates are already known to the organisation	New organisations always need to go beyond

and evaluation of candidates can be done **accurately and easily** *internal sources* to fill various job positions

Internal transfers help prepare a person for **higher positions**. Employees are already **familiar** with the working pattern of an organisation; hence, *no induction training* is required. Since everyone is already well familiar with the skills and knowledge of others, there is very **less scope of competition**

Shifting workforce from *surplus departments* to departments having **shortage of workforce** **Too many transfers reduce** productivity due to change in pattern, workflow and non-familiarity with the type of work allotted

External Sources

Merits

Helps in finding **qualified and trained personnel**

Wider choice for selection

Brings **fresh talent** in the organisation

Demerits

Dissatisfaction among existing staff as it reduces **chances of promotions** of existing staff

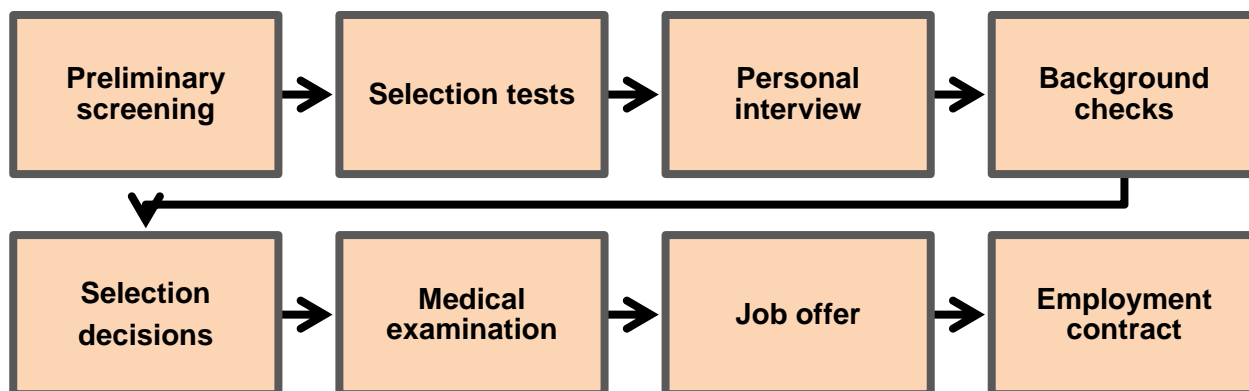
Costly process as money is spent on advertisement of job vacancy and further processing applications

Lengthy process as time is consumed in notifying job vacancy, inviting applications, screening till the time final selection is made

Selection

Selection refers to the process of **screening and selecting a suitable candidate** from a pool of prospective candidates.

Process of Selection



Process of Selection	
Preliminary screening	<ul style="list-style-type: none"> • Helps in eliminating candidates who do not fulfil the basic criteria and qualifications required for the job. • Candidates whose applications are selected are called for preliminary interviews.
Selection tests	<ul style="list-style-type: none"> • A written test is conducted by the organisation to assess the practical knowledge of candidates. • Important tests used for selection of employees: <ul style="list-style-type: none"> ○ Intelligence test: Measures intelligence quotient of a candidate ○ Aptitude test: Examines the potential of the individual to develop new skills ○ Personality test: Tests overall personality of an individual ○ Trade test: Measures existing skills of a candidate ○ Interest test: Finds out the particular interests of the individual
Personal interview	<ul style="list-style-type: none"> • Involves in-depth conversation between the candidate and an interviewer to evaluate a candidate's overall suitability for the job position. • Candidates get a chance to have clarity regarding their salary, working conditions etc.
Background checks	<ul style="list-style-type: none"> • Information given by the candidate is verified by asking the candidate to provide a number of references. • Teachers, previous employers and university professors are suitable references.
Selection decision	Final selection by choosing the candidates who passed the test, interview and reference checks.
Medical examination	To check the fitness level and health of candidates, and the job offer is given only after candidates are declared fit.
Job offer	A job offer is made through a letter of appointment . The letter mentions the job profile, rules and regulations, date of joining, time of reporting etc.
Contract of employment	The selected candidate is given the employment contract , which mentions the terms and conditions of employment.

Differences between recruitment and selection:

<u>Basis of Difference</u>	<u>Recruitment</u>	<u>Selection</u>
Meaning	Process of searching suitable candidates and convincing them to apply for job vacancies.	Screening and selecting a suitable candidate from a pool of prospective candidates.
Sequence	Second step in the process of staffing.	Third step after recruitment in the process of staffing.
Employment contract	No employment contract is given to candidates who are gathered under recruitment.	Candidates who pass the selection process are offered an employment contract which contains details such as date of joining and terms and conditions etc.
Characteristic	A large number of persons are attracted to the job.	Only the appropriate suitable candidates are selected, while the rest are rejected.

Training

Training refers to **enhancing the skills and abilities** necessary for a specific job. In other words, it **attempts at improving the aptitude and knowledge of employees** according to the requirements of the specific job.

Training imparts the following benefits to the employee and to the organisation:

Benefits to the Employee

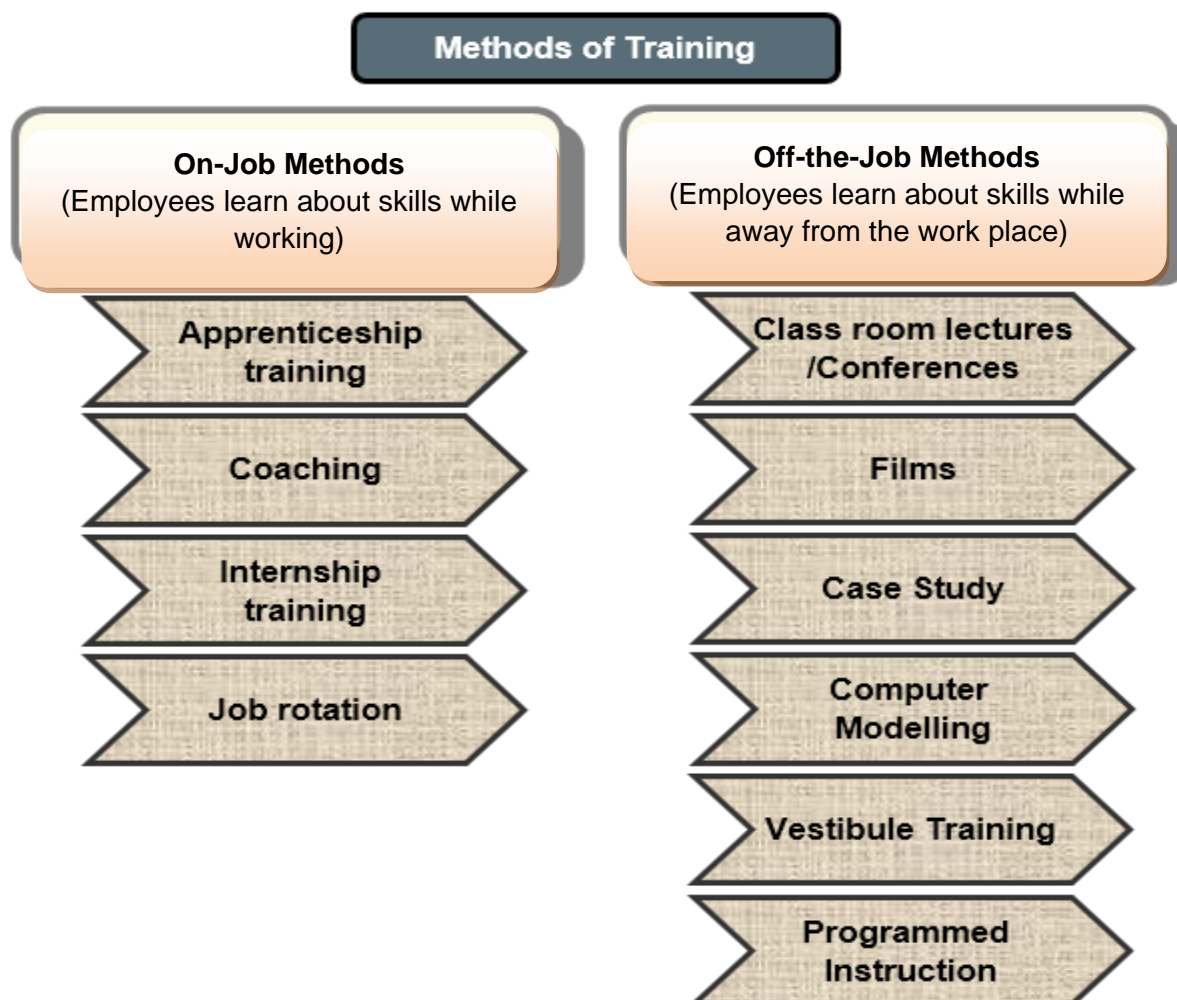
- 1) **Better career opportunities:** Training helps in **improving the knowledge** of the employee which in turn helps **in improving his career** prospects.
- 2) **Earn more:** By helping the individual to **improve their knowledge and skills**, it improves the earning prospects of employees.
- 3) **Less accident prone:** With proper training, employees become more **efficient in handling complex** machines. This helps in **reducing the chances of an accident**.
- 4) **Self-confidence:** By **increasing knowledge**, skills and aptitude of employees, training helps in boosting self-confidence, which in turn helps in improving job satisfaction.

Benefits to the Organisation

- 1) **Less wastage:** With training, employees **learn to work systematically** without the need of any hit and trial method. This helps in reducing the wastage of time and money.
- 2) **Higher profits:** By developing the skills of individuals, it makes them more efficient and productive. With **increase in overall productivity**, the profits of the organisation rise.
- 3) **Managerial efficiency:** Training imparts **self-confidence among employees** to face new challenges. It helps them to better deal with varied situations and problems.
- 4) **Reduced absenteeism:** Effective training helps in boosting the **morale** and **self-confidence** of employees, which in turn helps in reducing absenteeism and employee turnover in the organisation.
- 5) **Adapting to changes:** Training equips the trainee to respond and adopt to the changing economic and technological environment.

Training, Development and Education

Basis of Difference	Training	Education
Meaning	<i>Enhancing skills and abilities</i> necessary for a specific job	Increasing overall <i>knowledge</i> and understanding
Scope	Is narrow in scope as it is related to only a specific job	Is wider in scope as it is related to <i>overall development</i>
Focus	Is provided with the aim of achieving <i>organisational goals</i>	Is provided with the objective of achieving <i>individual goals</i>
Basis of Difference	Training	Development
Meaning	<i>Enhancing skills and abilities</i> necessary for a specific job	Refers to the overall <i>growth</i> and <i>enrichment</i> of an employee
Focus	On the requirements of a <i>specific job</i>	On the overall growth of an <i>individual</i> , thereby relating to the <i>entire career</i>
Scope	Is <i>narrow</i> in scope as it is related to only a specific job	Is <i>wider</i> in scope as it is related to the overall growth of the employee



On the Job Methods	
1) Apprenticeship	<ul style="list-style-type: none"> Workers are made to work under a master worker who provides them the required skills for the job. After a pre-defined amount of time, workers are then gradually shifted to work themselves.
2) Coaching	<ul style="list-style-type: none"> Trainees are made to work under the guidance of a coach. Both work towards achieving the common goal as set on the basis of mutual understanding. Typically, the aim of coaching is to train employees towards reaching a higher position at work.
3) Internship training	<ul style="list-style-type: none"> Business corporations select some students from the educational institutions to work with them as interns for a certain period.
4) Job rotation	<ul style="list-style-type: none"> A trainee is shifted from one department to another or from one job to another. Done in order to provide the trainee an overview and understanding of all the departments of the organisation. Helps in promotions, replacements or transfers of employees.
Off the Job Methods	
1) Classroom lectures /Conferences	<ul style="list-style-type: none"> Used to convey specific information, rules, procedures or methods. Audio-visual demonstrations or presentations are used to address trainees in the classroom.
2) Films	<ul style="list-style-type: none"> Short films or documentaries are shown to trainees to provide useful information or to demonstrate the skills which are difficult to convey through classroom lectures.
3) Case study	<ul style="list-style-type: none"> Taken from actual experiences of an organisation. Presented to trainees to analyse the causes of problems, to determine the probable alternative solutions and to find the best possible solutions.
4) Computer modelling	<ul style="list-style-type: none"> Real-life situations are imitated through computer programmes. Helps trainees learn various situations in a risk-free environment at minimum cost.
5) Vestibule training	<ul style="list-style-type: none"> Dummy models of the actual working environment are created. Trainees are then trained to work on dummy machines. When they acquire the required expertise, they are shifted to work on the actual machines at the actual workplace.
6) Programmed instruction	<ul style="list-style-type: none"> Information is divided into smaller, meaningful units and arranged in a sequence such that the trainee can answer questions one by one. It helps the trainee to acquire specific skills or general knowledge.