



# *Business Studies Notes PDF*

*On*

*Staffing*

*(Class - 12 / Chapter- 6)*

## **MEANING**

Staffing means putting people to jobs. It begins with human resource planning and includes different other functions like recruitment, selection, training, development, promotion and performance appraisal of work force.

### **Need and Importance of Staffing:**

- **Obtaining Competent Personnel:** Proper staffing helps in discovering and obtaining competent personnel for various jobs.
- **High Performance:** Proper staffing ensures higher performance by putting the right person on the right job.
- **Continuous growth:** Proper staffing ensures continuous survival and growth of the enterprise.
- **Optimum utilization of human resources:** It prevents under-utilization of personnel and high labour cost.
- **Improves job satisfaction:** It improves job satisfaction and morale of employees.

### **Benefits of Staffing:**

- **Best candidate:** Staffing aids in the identification and selection of the best candidate for the job.
- **Increases Efficiency:** It ensures that the right people are chosen for the right job, which contributes to the organization's overall efficiency and performance.
- **Better growth opportunities:** An organization has a better chance of growing if the best candidates are chosen for the job.
- **Manpower Planning:** Staffing aids in manpower planning and proper manpower utilization. It also aids in the filling of vacant job positions, ensuring that working efficiency is maintained.
- **Harmony:** Through staffing the right kind of people are selected for the job, whose selection is based on merit. These people are put to work after the required background checks and provision of proper training. Hence the right people at the right job will be able to work more efficiently, and the overall harmony in the organisation will be kept intact as well.

## **STAFFING AS A PART OF HUMAN RESOURCE MANAGEMENT (HRM)**

- **Staffing:**
  - Function which all managers have to perform as all managers directly deal with people.
  - Staffing refers to this kind of role played by all managers in small organizations.
  - As organizations grow and the number of people employed increases, a separate department called the human resource department is formed which consists of specialists who are experts in dealing with people.
  - In fact early definitions of staffing focused narrowly on only hiring people for vacant positions. But today staffing is a part of HRM which encompasses not only staffing but also a number of other specialized services such as job evaluation, management of labour relations.
- **Human Resource Management:**
  - Involves procuring, developing, maintaining and appraising a competent and satisfied workforce to achieve the goals of the organization efficiently and effectively.
  - Its purpose is to enable every human being working in the organization to make his best possible contribution.

## **STAFFING PROCESS**

- 1. Estimating Manpower Requirements:** The basic process involves the planning of manpower needed to fill various positions in the organization and perform the tasks as per the objectives of the organization. In this step;
  - Various job positions are created.

- Educational qualifications required, skill set needed to perform each job, prior experience needed, etc is decided.

**2. Recruitment:** A positive process with an aim to attract a larger number of people with desirable profiles to apply for positions vacant in the organisation. There are namely two sources of recruitment, external and internal. In this step, the following steps are done:

- The job descriptions are created.
- Medium of advertising is decided. The advertisement may be displayed on the factory gate or may be published through print media or may be shared through electronic media.
- This involves locating and determination of potential candidates. In this both external and internal sources of recruitment are explored.

**3. Selection:** This process involves the finding of or choosing the most appropriate candidate for the job amongst the pool of applicants. This process involves a series of events like tests and interviews. It also ensures:

- That the organization gets the best among all those who applied.
- The self-esteem and prestige of the selected ones are enhanced.

**4. Placement and Orientation:** In this process the employee selected is given an introduction about the work environment, he/she is made to see the workplace, and is introduced to colleagues, subordinates and seniors. He/she is made to familiarize with the rules and regulations and policies of the organization. Placement involves placing the selected employee at the position he is selected for.

**5. Training and Development:** In this dynamic world it has become very important for people to keep themselves upgraded as per the requirement and technologically advanced.

This process of upgrading oneself requires training; the organization may have in-house training centers or may have tie-ups with other organizations to train their employees. Through these training programs employees get trained and it also serves as a benefit to the organization in turn.

**6. Performance Appraisal:** Performance appraisal means to analyse the performance of the employees against set benchmarks or based on previous performances. Basically, this is a way to provide feedback on the performance of the employees of an organization.

**7. Promotion and Career Planning:** Promotion means to upgrade the profile or position of a person. This acts as a major push factor in the career objectives of people. Promotions motivate people to work better. Promotion to a higher position means serving greater responsibilities which in turn bring greater pay and job satisfaction.

**8. Compensation:** Compensation is the payment or reward given to employees of an organization by the way of salary and wages. This may be in various forms like salaries, incentives, commissions, bonuses and indirect payment like medical facilities, etc.

## **ASPECTS OF STAFFING**

The three aspects of Staffing are as follows:

- **Recruitment**
- **Selection**
- **Training**

## 1. RECRUITMENT

It refers to the process of appointing possible candidates for a job or a function. It has been defined as the process of searching for prospective employees and stimulating them to apply for jobs in an organisation.

### Sources of Recruitment:

There are two sources of recruitment:

- (i) Internal
- (ii) External

**(i) Internal Sources:** Under internal source of recruitment the vacant job positions are filled by inducing the existing employees of the organisation.

There are two internal sources of recruitment that are:

- **Transfers:**
  - Recruitment through the source means placing of the employees or shifting of the employees from one job to another from one department to another.
  - Here the employees can be shifted from one shift to another without any substantial change in the responsibilities and status of the employee. This is the horizontal shift in the position of an employee.
  - Transfers may be intercity or interstate.
  - Job transfer acts as an important way of avoiding termination and may also remove individual problems and grievances.
- **Promotion:**
  - Through this process, vacancies in higher positions are filled. This is also known as the vertical shift of employees. In this, people are given higher and greater responsibilities of the organization.
  - This practice helps in improving motivation, loyalty and satisfaction among the employees.
  - This also initiates a chain of promotions at lower levels too.

### **Advantages:**

- It is economical.
- It motivates the existing employees.
- Through transfer employees get drained also in the form of job positions.

### **Drawbacks:**

- No fresher new ideas will come in the organisation.
- There will be limited choice.
- Not suitable for a new organisation.
- Frequent transfer may reduce the productivity of employee

**(ii) External Sources of Recruitment:** when the candidates from outside the organization are invited to fill the vacant job position then it is known as external recruitment. The common methods of external sources of recruitments are:

- **Direct Recruitment:** Under the direct recruitment, a notice is placed on the notice board of the enterprise specifying the details of the jobs available.
- **Casual callers:** Many reputed business organizations keep a database of unsolicited applicants in their office. This list can be used for Recruitment.

- **Advertisement:** Advertisement in media is generally used when a wider choice is required. Example– Newspapers, Internet, Radio, Television etc.
- **Employment Exchange:** Employment exchange is regarded as a good source of recruitment for unskilled and skilled operative jobs.
- Campus recruitment and labour contractors can be used for the purpose.

#### **Advantages:**

- **Qualified Personnel:** By using external sources of recruitment the management can attract qualified and trained people to apply for the vacant jobs in the organization.
- **Wider Choice:** The management has a wider choice in selecting the people for employment.
- **Fresh Talent:** It provides wider choice and brings new blood in the organization.
- **Competitive Spirit:** If a company taps external sources, the staff will have to compete with the outsiders.

#### **Limitations:**

- **Dissatisfaction among existing employees:** Recruitment from outside may cause dissatisfaction among the employees. They may feel that their chances of promotion are reduced.
- **Costly process:** A lot of money has to be spent on advertisement therefore this is a costly process.
- **Lengthy Process:** It takes more time than internal sources of recruitment.

## **2. SELECTION**

It can be defined as discovering the most promising and most suitable candidate to fill up the vacant job position in the organisation.

The process starts from the screening of applications and may continue till the offer of employment acceptance and joining of the candidate.

#### **Process of Selection:**

- **Preliminary Screening:** It helps in shortlisting of the suitable and probable candidates and elimination of the unqualified or unfit job seekers based on the application forms.
- **Selection Tests:** this may be an online or an offline test. In this test a wide range of questions may be asked to determine the intelligence in personality and manual skills of the person. Important tests used for the selection of employees are:
  - **Intelligence test:** It measures a candidate's ability to learn.
  - **Aptitude test:** It measures the candidate's ability to learn new skills.
  - **Personality test:** It measures the overall personality of the candidate in terms of emotions, reactions, maturity, value systems etc.
  - **Trade test:** It measures the candidate's existing level of knowledge and proficiency.
  - **Interest test:** It identifies the candidate's areas of interest.
- **Employment Interview:** This is a formal and in-depth conversation with the candidate and it is conducted to test the suitability of the candidate.
- **Reference and Background Check:** This is done in order to verify the credibility of the information provided by the employees. This is also done to gather additional information about the candidate.
- **Selection Decision:** At this stage all the members involved in the process of selection meet and take final decision regarding selection of candidates.
- **Medical Examination:** This examination is undertaken to check the fitness of the candidate before the job offer is made.

- **Job offer:** In this step of the selection process the applicants who have passed all the previous hurdles, a job offer is made to them through the letter of appointment or confirmation. The letter contains a date from which the appointee must report on duty.
- **Contract of Employment:** After the job offer is made the duration of employment agreed upon by both the parties is executed.

### Difference between Recruitment and Selection:

Basis of difference	Recruitment	Selection
<b>Meaning</b>	The process of locating and enlisting the necessary personnel for a job is referred to as recruitment.	The process of selecting the best candidate from a pool of candidates gathered during the recruitment process is referred to as selection.
<b>Sequence</b>	Recruitment is the second stage of the staffing process.	Selection is the third stage of the staffing process, following recruitment.
<b>Employment contract</b>	The organization does not offer any employment contracts to the candidates gathered through recruitment.	The organization offers an employment contract to candidates who successfully complete the selection process, which includes information such as the date of joining, terms and conditions, and so on.
<b>Characteristic</b>	The recruitment process entails attracting as many candidates as possible for the job.	The selection process entails selecting only the best candidates and rejecting the rest.

### 3. TRAINING AND DEVELOPMENT

- **Training:** Training means equipping the employees with the required skill to perform the job.
- **Development:** It refers to overall growth of the employee. It focuses on personal growth and successful employee's development.

#### Benefits of Training for Organisations:

- Reduced learning time
- Better performance
- Attitude formation
- Aids in or help in solving operational problems
- Managing manpower need
- Helps to adopt changes

#### Benefits of Training for Employees:

- Better career options
- Earning more
- Boost up the morale
- Less chance of accidents



### Comparison of Training and Development:

Basis	Training	Development
<b>Definition</b>	It means imparting skills and knowledge to a particular job.	It means growth of an employee in all respects.
<b>Purpose</b>	It is concerned with maintaining and improving current job performance.	It seeks to develop competence and skills for future performance.
<b>Methods</b>	It is imparted through the job method.	It is imparted through the job method.
<b>Initiative</b>	The boss takes the initiative to impart training to his subordinates.	The individual takes the initiative for self growth and development.
<b>Duration</b>	Training programmes are organized for short terms.	Development takes place over a large period of time.

### TRAINING, DEVELOPMENT AND EDUCATION

- **Training:** Training is the process of improving an employee's skills and competence required to perform a specific job.
- **Development:** Development refers to the learning opportunities that are designed to help the employee's grow.
- **Education:** It is the method of increasing the knowledge and understanding of the employees. It helps in better interpretation of the knowledge.

### Training Methods:

#### **(A) On the Job Methods**

It refers to the methods that are applied at the workplace, where the employee is actually working. It means learning while doing. The following are the methods of On-the job training:

- **Apprenticeship Training:** Under this, the trainee is placed under supervision of an experienced person (master worker) who imparts him necessary skills and regulates his performance. The trainee is given a stipend while learning so that he/she can enjoy the "earn while you learn" scheme.
- **Internship Training:** Under this method an educational institute enters into agreement with industrial enterprises for providing practical knowledge to its students by sending them to business organizations for gaining practical experience.
- **Internship Training:** It is a combined effort of educational institutions and business organisations to give work exposure to students and prepare them for real work culture.
- **Job Rotation:** It is a method of training where employees are trained with a full range of skills by shifting them from one job to another or from one department to another.

#### **(B) Off the Job Methods**

On-the-job training refers to the training where the subordinates learn by doing at a place away from the workplace. It includes:

- **Classroom Lectures/ Conference:** It is a method of training where information is conveyed through lectures for conferences.
- **Films:** It is a method of training where important information or skills are demonstrated using films, televisions, videos or presentations.
- **Case study:** It is a method of training where actual work situations of the past are discussed to identify problems, analyse its causes, and develop alternative solutions to solve problems.
- **Computer Modelling:** It is a method of training where the actual work environment is imitated by programming a computer.
- **Vestibule Training:** It is a method of training where a duplicate work environment called 'vestibule' is created to train employees with the technical and operating skills.
- **Programmed Instructions:** It is a method of training where specific skills or knowledge are broken into units and arranged in a logical and sequential learning package.

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