

# CBSE CLASS 12 BUSINESS STUDIES

## CHAPTER – 6

### STAFFING

#### REVISION NOTES

#### MEANING OF STAFFING

Staffing has been described as the managerial function of filling and keeping filled the positions in the organisation structure. Staffing is process of recruiting right people for the right job.



#### IMPORTANCE OF STAFFING

- 1. Discovering Competent Personnel:** Proper staffing helps in discovering and obtaining competent personnel for various jobs.
- 2. High Performance:** Proper staffing ensures higher performance by putting right person on the right job.
- 3. Continuous growth of enterprise:** Proper staffing ensures continuous survival and growth of the enterprise.

**4. Optimum utilization of human resources:** It prevents under-utilization and overmanning of personnel and thus reduces labour cost.

**5. Higher job satisfaction:** It improves job satisfaction and morale of employee.

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

- Staffing function deals with human element, this plays an important role in the success of an organisation.
- As an organization grows the number of people employed increases and a separate department called the human resource department is formed which consists of specialists and experts in dealing with people.
- Human Resource Management involves procuring, developing, maintaining and appraising competent and satisfied workforce to achieve the goals of the organization efficiently and effectively.

## PROCESS OF STAFFING



### 1. Estimating Manpower Requirement:

- Drafting work force requirements in an organisation, defining the job related activities and recruiting personnel's with a specific set of skills, knowledge, qualification and experience.
- Work force analysis enable the enterprise to assess the number and type of employees necessary for the completion of a work.
- It helps in determining whether an enterprise is overstaffed or under staffed and also enables an organisation to make necessary steps to take corrective action.

### 2. Recruitment:

- **Recruitment** may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.
- Both internal and external sources may be used for searching employees.

### 3. Selection:

- It is the process of choosing and appointing the right candidates for right job in an organization by conducting various exams, tests and interviews.
- It ensures that the organisation gets the best candidate.
- The selection process enhances the self-esteem and prestige of the selected candidates.

### 4. Placement and Orientation:

- **Orientation** is, thus, introducing the selected employee to other employees and familiarising him with the rules, regulations and policies of the organisation.
- **Placement** refers to the employee occupying the position or post for which the person has been selected.

### 5. Training and Development:

- Systematic **training** helps in increasing the skills and knowledge of employees in doing their jobs through various methods.
- Development involves growth of an employee in all aspects such as performance, knowledge etc.

### 6. Performance Appraisal:

- **Performance appraisal** means evaluating an employee's current and/or past performance as against certain predetermined standards.
- Once an employee has undergone a training, his/ her performance is evaluated.
- It is concerned with continuous evaluation of the performance of employees in an organisation.

### 7. Promotion and Career Planning:

- **Promotion** means being placed in positions increased responsibility.
- Promotion and career planning is very important to boost the morale of employees and motivate them to utilize their full potential.

### 8. Compensation:

**Compensation** refers to all forms of payment made by an enterprise to their employees. E.g. salaries, incentives, commission etc.

## RECRUITMENT

**Recruitment** may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in an organization.

### SOURCES OF RECRUITMENT

#### 1. Internal Sources of Recruitment:

Internal sources refer to inviting candidates from within the organization.

TYPES	ADVANTAGES	LIMITATION
<ul style="list-style-type: none"><li>•Transfers: It involves the shifting of an employee from one job to another, from one department to another or from one shift to another shift.</li><li>• Promotions: It means placing an employee to a higher position carrying higher responsibilities, prestige, facilities and pay.</li></ul>	<ul style="list-style-type: none"><li>•Employees are motivated to improve their performance.</li><li>•Internal recruitment also simplifies the process of selection &amp; placement.</li><li>•No wastage of time on the employee training and development.</li><li>•Filling of jobs internally is cheaper.</li></ul>	<ul style="list-style-type: none"><li>•The scope of induction of fresh talent is reduced.</li><li>•The employee may become lethargic.</li><li>•The spirit of competition among the employees may be hampered.</li><li>•Frequent transfers of employees may often reduce the productivity of the organization.</li></ul>

#### External Sources of Recruitment

When the candidates from external sources are invited to fill in the vacant job position then it is known as external recruitment.

#### The common methods of external sources of recruitments are:

1. **Direct Recruitment:** Under the direct recruitment, a notice is put up on the notice board of the enterprise specifying the details of the jobs available.

2. **Casual callers:** Many reputed business organizations keep a data base of unsolicited applicants in their office. This list can be screened and best candidate is selected.
3. **Advertisement:** Advertisement media is used when a wider range of candidates to choice are required. Example– Newspapers, Internet, Radio, Television etc.
4. **Employment Exchange:** Employment exchange run by government is regarded as a good source of recruitment for unskilled and skilled operative jobs.
5. **Placement Agencies and Management consultants:** Placement agencies provide a nationwide service in matching personnel demand and supply.
6. **Campus Consultants:** Campus recruitment means recruitment of candidates directly from management and technical institutions and universities.
7. **Labour Contractors:** Labour contractors maintain close contacts with labourers and they can provide the required number of unskilled workers at short notice.
8. **Advertising on Television:** The practice of telecasting of vacant posts over Television is gaining importance these days.
9. **Web Publishing:** There are certain websites specifically designed and dedicated for the purpose of providing information about both job seekers and job opening.
10. **Recommendations of Employees:** Applicants introduced by present employees, or their friends and relatives may prove to be a good source of recruitment.

### ADVANTAGES

- **Qualified Personnel:** By using external source 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.

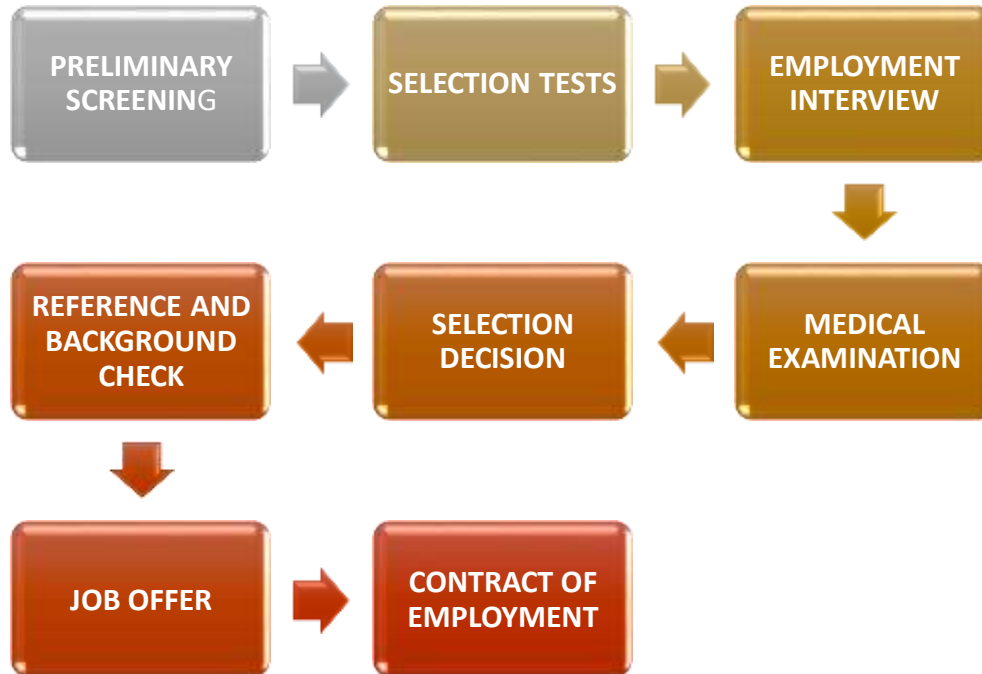
### LIMITATIONS

- **Dissatisfaction among existing employees:** Recruitment from outside may cause dissatisfaction among the employees of the o. 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 costly process.
- **Lengthy Process:** It takes more time than internal sources of recruitment.

## SELECTION

Selection is the process identifying and choosing the best candidate from within the organization or from outside, the most suitable person for the current position or for the future position.

## PROCESS OF SELECTION



### 1. Preliminary Screening:

Preliminary screening helps the manager eliminate unqualified or unfit job seekers based on the information supplied in the application forms.

### 2. Selection Tests:

These tests include:

- (a) Intelligence Tests: It tests a person's ability to make decisions and adjustments.
- (b) Aptitude Tests: It is a measure of individuals potential for leaning new skill.
- (c) Personality Tests: personality tests provide clues to a person's emotion.
- (d) Trade Tests: It measures the existing skills of an individual.
- (e) Interest Tests: It allows to know the Pattern of interests and involvement of a person.

### 3. Employment Interviews:

It is an in-depth formal conversation conducted

- to find out suitability of the candidate for a specific post.
- to seek more information about the candidate.
- to give the candidate an accurate picture of job with details of terms and conditions and to clarify his doubts.



#### **4. Reference Checks:**

- The prospective employer checks the authenticity of the references given by the applicant.
- They conduct a search into candidate's family background, past employment, education, police records etc.

#### **5. Selection Decisions:**

A list of candidates who clear the tests and interviews are generally considered for the final selection based on managers opinion.

#### **6. Medical/Physical Examination:**

- A medical expert or a certified clinic appointed by organization has to certify whether the candidate is physically fit to the requirements of a specific job.
- A proper physical exam will ensure higher standard of health & physical fitness of employees thereby reducing absenteeism.

#### **7. Job Offer:**

After selection procedure and medical examination, he/she is formally appointed by issuing him an Appointment Letter.

#### **8. Contract of Employment:**

- After getting the job offer, the candidate has to give his acceptance.
- Both employer and employee has to sign a contract of employment which contains terms & conditions, pay scale, leave rules, hours of work, mode of termination of employment etc.

### **TRAINING AND DEVELOPMENT**

**Training:** Training is an act of increasing the knowledge and technical skills of an employee for doing a particular job efficiently. Both existing employees and new employees get acquainted with their jobs and this increases the job related skills.

**BENEFITS TO ORGANISATION**

- Systematic learning leads to wastage of efforts and money.
- Increases productivity thereby leading to increase in profit.
- Equips the future managers to handle emergencies.
- Increases employeemorale and reduces absenteeism.
- Effective response to changing environment.

**BENEFITS TO EMPLOYEE**

- Better career opportunities due to improved skills and knowledge.
- Higher earning leads to higher earnings.
- Improves efficiency in handling machines.
- Improves satisfaction and morale of employees.

**Development** refers to the learning opportunities designed to help employees grow. It covers not only those activities, which improve job performance but also those which bring about growth of the personality.

TRAINING	DEVELOPMENT
It is a process of increasing knowledge and skills.	It is a process of learning and growth.
It is to enable the employee to do the job better.	It is to enable the overall growth of the Employee
It is a job-oriented process.	It is a career-oriented process.

## TRAINING METHODS

### (A) On the Job Method:

It refers to the methods that are applied at the work place, where the employee is actually working. It means learning while doing.

#### 1. Apprenticeship Programme:

- Apprenticeship programmes put the trainee under the guidance of a master worker.
- The trainee receives stipend while learning so that he/she can enjoy “earn while you learn” scheme.

#### 2. Coaching:

- In this method, the superior guides and instructs the trainee as a coach.
- The trainee works directly with a senior manager and the manager takes full responsibility for the trainee's coaching.

### **3. Internship Training:**

The educational institutes enters into a contract with business firms or corporates for providing practical knowledge to its students by sending them to business organizations for gaining practical experience.

### **4. Job Rotation:**

- This kind of training involves shifting the trainee from one department to another or from one job to another.
- Job rotation allows trainees to interact with other employees facilitating future cooperation among departments.

### **(B) Off the job methods:**

**1. Class Room Lectures/Conferences:** The lecture or conference approach is well adapted to conveying specific information and rules, procedures or methods.

**2. Films:** They can provide information and explicitly demonstrate skills that are not easily represented by the other techniques.

**3. Case Study:** cases are developed from the actual experiences of organisations, cases represent attempts to describe, as accurately as possible real problems that managers have faced.

**4. Computer Modelling:** It simulates the work environment by programming a computer to imitate some of the realities of the job and allows learning to take place.

**5. Vestibule Training:** Employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor.

**6. Programmed Instruction:** This method incorporates a prearranged and proposed acquisition of some specific skills or general knowledge.