

Chapter 6

STAFFING

Meaning of staffing

- + In the simplest terms, staffing is 'putting people to jobs'.
- + It begins with workforce planning and includes different other function
- + Staffing has been described as the managerial function of filling and keeping filled the positions in the organisation structure. This is achieved by, first of all, identifying requirement of work force, followed by recruitment, selection, placement, promotion, appraisal and development of personnel, to fill the roles designed into the organisation structure.
- + **In a new enterprise**, the staffing function follows the planning and organising functions.
- + After deciding what is to be done, how it is to be done and after creation of the organization structure, the management is in a position to know the human resource requirements of the enterprise at different levels.
- + Once the number and types of personnel to be selected is determined, management starts with the activities relating to recruiting, selecting and training people, to fulfil the requirements of the enterprise.
- + **In an existing enterprise**, staffing is a continuous process because new jobs may be created and some of the existing employees may leave the organisation.

Importance of Staffing

Proper staffing ensures the following benefits to the organisation:

1. **Competent personnel** - Helps in discovering and obtaining competent personnel for various jobs.
2. **Higher performance** - Makes for higher performance, by putting right person on the right job.
3. **Survival and growth** - Ensures the continuous survival and growth of the enterprise through the succession planning for managers.
4. **Optimum utilisation** - Helps to ensure optimum utilization of the human resources by avoiding overmanning, it prevents under-utilisation of personnel and high labour costs. At the same time it avoids disruption of work by indicating in advance the shortages of personnel; and
5. **Job satisfaction and morale of employees** - Improves job satisfaction and morale of employees through objective assessment and fair reward for their contribution.

Staffing as part of Human Resource Management

- + The staffing function deals with the human element of management. The success of an organisation is determined to a great extent by the competence, motivation and performance of its human resource.
- + It is the responsibility of all managers to directly deal with and select people to work for the organisation.
- + In small organisations, managers may perform all duties related to employee's salaries, welfare and working conditions but as organisations grow and number of persons employed increases, a separate department called the human resource department is formed which has specialists in managing people.
- + Human resource management includes many specialised activities These duties are:
 1. Recruitment i.e., search for qualified people
 2. Analysing jobs, collecting information about jobs to prepare job descriptions.
 3. Developing compensation and incentive plans.
 4. Training and development of employees for efficient performance and career growth.
 5. Maintaining labour relations and union management relations.
 6. Handling grievances and complaints.
 7. Providing for social security and welfare of employees.
 8. Defending the company in law suits and avoiding legal complications.

Evolution of human Resource Management

- + Proper management of human resource in an organisation is called HRM.

- Human resource management has replaced the traditional concept of labour welfare and personnel management.
- Human relations approach recognizes human factor as the most important instrument of success in an organisation.
- Fast changing technological developments, however, necessitated new skill development and training of employees. People came to be recognised as a valuable resource, which can be further developed.
- Increase in scope of the work led to replacement of personnel manager with human resource manager.
- Staffing is an inherent part of human resource management
- Staffing is both a function of management just like planning, organising, directing, and controlling as well as a distinct functional area of management just as marketing management and financial management.
- Staffing, is therefore, referred to as both a line as well as a staff activity i.e., an essential function of the manager as well as an advisory role played by the human resource department.

Staffing Process

Staffing as a process that starts from understanding the manpower requirements within the organisation and identifying the potential sources from where it can be met, either from within the organisation or from outside staff training and development is another important aspect of the staffing process.

STAFFING PROCESS



1. Estimating the manpower requirements:

- It is important to translate the manpower requirements into specific job description and the desirable profile of its occupant — the desired qualifications, experience, personality characteristics and so on. This information becomes the base for looking for potential employees.
- Operationally, understanding the manpower requirements would necessitate workload analysis on the one hand and workforce analysis on the other.
- Workload analysis would enable an assessment of the number and types of human resources necessary for the performance of various jobs and accomplishment of organisational objectives.
- Workforce analysis would reveal the number and type available. Such an exercise would reveal whether we are understaffed, overstaffed or optimally staffed.
- Overstaffing would necessitate employee removal or transfer elsewhere. understaffing would necessitate the starting of the recruitment process.
- It is concerned with forecasting the future man power needs of the organization for various categories of activities over a specified period.
- It involves both quantitative and qualitative analysis. Quantitative aspects concerned with the number of personnel in each department and qualitative aspects concerned with the qualifications and experience of each of them.

2. Recruitment:

- Recruitment may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in the organisation.
- The information generated in the process of writing the job description and the candidate profile may be used for developing the 'situations vacant' advertisement.
- This step involves locating the potential candidate or determining the sources of potential candidates.

- ✦ The essential objective is to create a pool of the prospective job candidates. Internal sources may be used to a limited extent. For fresh talent and wider choice external sources are used.

3. Selection

- ✦ Selection is the process of choosing from among the pool of the prospective job candidates developed at the stage of recruitment.
- ✦ The rigour of the selection process serves two important purposes:
 - a. It ensures that the organization gets the best among the available, and
 - b. It enhances the self-esteem and prestige of those selected and conveys to them the seriousness with which the things are done in the organisation.
- ✦ The rigour involves a host of tests and interviews, those who are able to successfully negotiate the test and the interviews are offered an employment contract

4. Placement and orientation

- ✦ The employee is given a brief presentation about the company and is introduced to his superiors, subordinates and the colleagues.
- ✦ He is taken around the workplace and given the charge of the job for which he has been selected.
- ✦ This process of familiarisation is very crucial and may have a lasting impact on his decision to stay and on his job performance.
- ✦ Orientation is, thus, introducing the selected employee to other employees and familiarising him with the rules 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:

- ✦ Organisations have either in-house training centres or have forged alliances with training and educational institutes to ensure continuing learning of their employees.
- ✦ The organisations too benefit in turn. If employee motivation is high, their competencies are strengthened; they perform better and thus, contribute more to organizational effectiveness and efficiency.
- ✦ By offering the opportunities for career advancement to their members, organisations are not only able to attract but also retain its talented people.

6. Performance appraisal

- ✦ Performance appraisal means evaluating an employee's current and/or past performance as against certain predetermined standards and the superior is to provide the employee feedback on his/her performance.
- ✦ The performance appraisal process, therefore, will include defining the job, appraising performance and providing feedback.

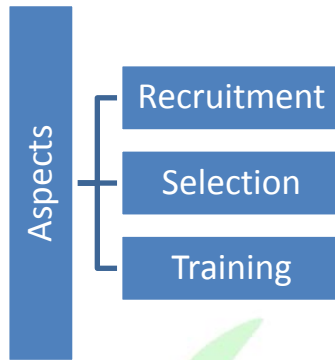
7. Promotion and career planning

- ✦ It becomes necessary for all organisations to address career related issues and promotional avenues for their employees. Managers must encourage employees to grow and realise their full potential.
- ✦ Promotions are an integral part of people's career. They refer to being placed in positions of increased responsibility. Pay and job satisfaction.

8. Compensation

- ✦ All organisations need to establish wage and salary plans for their employees.
- ✦ There are various ways to prepare different pay plans depending on the worth of the job. Basically the price of the job needs to be determined.
- ✦ Compensation, therefore, refers to all forms of pay or rewards going to employees. It may be in the form of direct financial payments like wages, salaries, incentives, commissions and bonuses and indirect payments like employer paid insurance and vacations.
- ✦ Direct financial payments are of two types :
 - o Time based - A time based plan means salary and wages are paid either daily, weekly or monthly or annually.
 - o Performance based - Performance based plans means salary/wages are paid according to piecework.

Aspects of Staffing

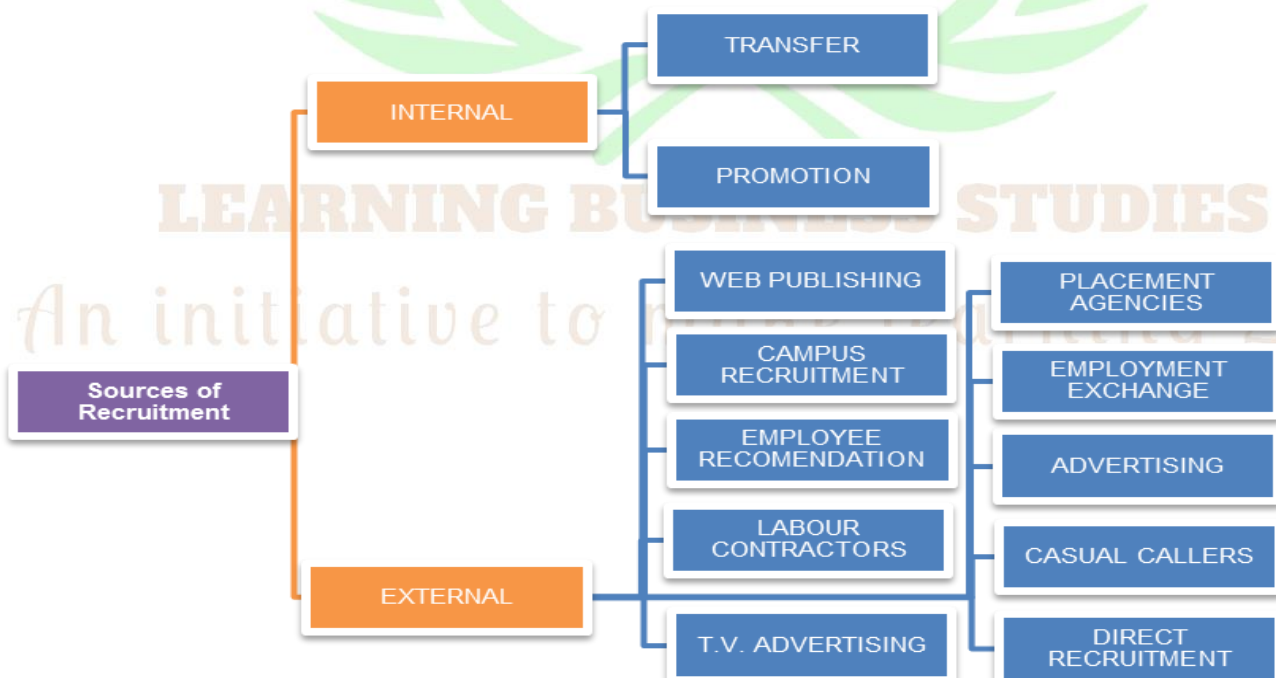


Recruitment

- ✚ Recruitment refers to the process of finding 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.’
- ✚ Advertising is commonly part of the recruitment process.

Sources of Recruitment

- ✚ The object of recruitment is to attract potential employees with the necessary characteristics or qualification, in the adequate number for the jobs available.
- ✚ It locates available people for the job and invites, attract suitable applicants to apply for the job in the organisation.
- ✚ The process of recruitment precedes the process of selection of a right candidate for the given positions in the organisation.
- ✚ The various activities involved with the process of recruitment includes
 1. Identification of the different sources of labour supply,
 2. Assessment of their validity,
 3. Choosing the most suitable source or sources,
 4. Inviting applications from the prospective candidates, for the vacancies.
- ✚ The requisite positions may be filled up from within the organization or from outside.



Internal Sources

1. Transfers

- ✚ It involves shifting of an employee from one job to another, one department to another or from one shift to another, without a substantive change in the responsibilities and status of the employee.
- ✚ It may lead to changes in duties and responsibilities, working condition etc., but not necessarily salary. A good source of filling the vacancies with employees from over-staffed departments.
- ✚ It's a horizontal movement of employees.
- ✚ Shortage of suitable personnel in one branch may be filled through transfer from other branch or department.
- ✚ Also helpful in avoiding termination and in removing individual problems and grievances.
- ✚ Transfers can also be used for training of employees for learning different jobs.

2. Promotions

- ✚ The practice of filling higher jobs by promoting employees from lower jobs.
- ✚ Shifting an employee to a higher position, carrying higher responsibilities, facilities, status and pay.
- ✚ A vertical shifting of employees.
- ✚ Improve the motivation, loyalty and satisfaction level of employees.
- ✚ It has a great psychological impact over the employees
- ✚ Promotion at the higher level may lead to a chain of promotions at lower levels in the organisation.

Merits of Internal Sources

Filling vacancies in higher jobs from within the organisation or through internal transfers has the following merits:

1. Employees are motivated to improve their performance through learning and practice. Also peace prevails in the enterprise because of promotional avenues;
2. Simplifies the process of selection and placement economically and reliably
3. A tool of training the employees to prepare them for higher jobs no need for induction training;
4. Shifting workforce from the surplus departments to those where there is shortage of staff;
5. Filling of jobs internally is cheaper as compared to getting candidates from external sources.

Limitations of Internal Sources

1. Complete reliance on internal recruitment involves danger of 'inbreeding' by stopping 'infusion of new blood' into the organisation;
2. The employees may become lethargic if they are sure of time bound promotions;
3. A new enterprise cannot use internal sources of recruitment. No organisation can fill all its vacancies from internal sources;
4. The spirit of competition among the employees may be hampered; and
5. Frequent transfers of employees may often reduce the productivity of the organisation.

External Sources

External recruitment provides wide choice and brings new blood in the organisation. The commonly used external sources of recruitment are discussed below:

1. Direct recruitment:

- ✚ Under the direct recruitment, a notice is placed on the notice-board of the enterprise specifying the details of the jobs available.
- ✚ Jobseekers assemble outside the premises on the specified date and selection is done on the spot.
- ✚ Followed usually for casual vacancies of unskilled or semi-skilled jobs.
- ✚ Such workers are known as casual or 'badli' workers and they are paid remuneration on daily wage basis. Inexpensive as it does not involve any cost of advertising the vacancies.
- ✚ It is suitable for filling casual vacancies when there is a rush of work or when some permanent workers are absent.

2. Casual callers:

- ✦ Many reputed business organisations keep a database of unsolicited applicants in their offices.
- ✦ A list of such job-seekers can be prepared and can be screened to fill the vacancies as they arise.
- ✦ It reduces the cost of recruiting workforce in comparison to other sources.

3. Advertisement:

- ✦ Advertisement in leading newspapers or trade and professional journals is generally used when a wider choice is required.
- ✦ Most of the senior positions of industry as well as commerce are filled by this method.
- ✦ More information about the organization and job can be given in the advertisement.
- ✦ Gives the management a wider range of candidates from which to choose. Its disadvantage is that it may bring in a flood of response, and many times, from quite unsuitable candidates.

4. Employment exchange:

- ✦ Employment exchanges run by the government are regarded as a good source of recruitment for unskilled and skilled operative jobs.
- ✦ In some cases, compulsory notification of vacancies to employment exchange is required by law.
- ✦ Thus, employment exchanges help to match personnel demand and supply by serving as link between job-seekers and employers.
- ✦ Unfortunately, the records of employment exchange are often not up to date and many of the candidates referred by them may not be found suitable.

5. Placement agencies and management consultants:

- ✦ Placement agencies provide a nationwide service in matching personnel demand and supply.
- ✦ These agencies compile bio-data of a large number of candidates and recommend suitable names to their clients.
- ✦ Such agencies charge fee for their services and they are useful where extensive screening is required. These professional recruiters can entice the needed top executives from other companies by making the right offers.
- ✦ Management consultancy firms help the organisations to recruit technical, professional and managerial personnel.
- ✦ They specialise in middle level and top level executive placements.
- ✦ They maintain data bank of persons with different qualifications and skills and even advertise the jobs on behalf of their clients to recruit right type of personnel.

6. Campus recruitment:

- ✦ Many big organisations maintain a close liaison with the universities, vocational schools and institutes of management and technology to recruit qualified personnel for various technical, professional and managerial jobs.
- ✦ Recruitment from educational institutions is a well-established practice of businesses. This is referred to as campus recruitment.

7. Recommendations of employees:

- ✦ Applicants introduced by present employees, or their friends and relatives may prove to be a good source of recruitment.
- ✦ Such applicants are likely to be good employees because their background is sufficiently known.
- ✦ A type of preliminary screening takes place because the present employees know both the company and the candidates and they would try to satisfy both.

8. Labour contractors:

- ✦ Labour contractors maintain close contacts with labourers and they can provide the required number of unskilled workers at short notice.
- ✦ Workers are recruited through labour contractors who are themselves employees of the organisation.

- ✚ The disadvantages of this system are that if the contractor himself decides to leave the organisation, all the workers employed through him will follow suit.

9. Advertising on television:

- ✚ It's the practice of telecasting of vacant posts over television.
- ✚ The detailed requirements of the job and the qualities required to do it are publicised along with the profile of the organisation where vacancy exists.

10. Web publishing:

- ✚ Internet is becoming a common source of recruitment these days.
- ✚ There are certain websites specifically designed and dedicated for the purpose of providing information about both job seekers and job opening.
- ✚ Websites are very commonly visited both by the prospective employees and the organisations searching for suitable people.

Merits of External Sources

1. **Qualified personnel:** the management can attract qualified and trained people to apply for vacant jobs in the organisation.
2. **Wider choice:** when vacancies are advertised widely, a large number of applicants from outside the organisation apply. The management has a wider choice while selecting the people for employment.
3. **Fresh talent:** the present employees may be insufficient or may not fulfil job specifications. External recruitment provides wider choice and brings new blood in the organisation. However, it is expensive and time-consuming.
4. **Competitive spirit:** if a company taps external sources, the existing staff will have to compete with the outsiders. They will work harder to show better performance.

Limitations of External Sources

1. **Dissatisfaction among existing staff:** lead to dissatisfaction and frustration among existing employees as their chances of promotion are reduced.
1. **Lengthy process:** the business has to notify the vacancies and wait for applications to initiate the selection process.
2. **Costly process:** a lot of money has to be spent on advertisement and processing of applications.

Selection

- ✚ Selection is the process of identifying and choosing the best person out of a number of prospective candidates for a job.
- ✚ The candidates are required to take a series of employment tests and interviews.
- ✚ At every stage many are eliminated and a few move on to the next stage until the right type is found.
- ✚ The process may start right from the screening of the applications. It may continue even after the offer of employment, acceptance and joining of the candidate.

Process of Selection

The important steps in the process of selection are as follows:

1. **Preliminary screening:** Preliminary screening helps the manager eliminate unqualified or unfit job seekers based on the information supplied in the application forms. Preliminary interviews help reject misfits for reasons, which did not appear in the application forms.
2. **Selection tests:** An employment test is a mechanism (either a paper and pencil test or an exercise) that attempts to measure certain characteristics of individuals. These characteristics range from aptitudes, such as manual dexterity, to intelligence to personality.

Important tests used for selection of employees:

1. **Intelligence tests:** psychological tests used to measure the level of intelligence quotient of an individual. It is an indicator of a person's learning ability or the ability to make decisions and judgments.
 2. **Aptitude test:** measure of individual's potential for learning new skills. It indicates the person's capacity to develop. Such tests are good indices of a person's future success score.
 3. **Personality tests:** provide clues to a person's emotions, her reactions, maturity and value system etc. These tests probe the overall personality. Hence, these are difficult to design and implement.
 4. **Trade test:** measure the existing skills of the individual. They measure the level of knowledge and proficiency in the area of professions or technical training. The difference between aptitude test and trade test is that the former measures the potential to acquire skills and the latter the actual skills possessed.
 5. **Interest tests:** every individual has fascination for some job than the other. Interest tests are used to know the pattern of interests or involvement of a person.
-
3. **Employment interview:** Interview is a formal, in-depth conversation conducted to evaluate the applicant's suitability for the job. The role of the interviewer is to seek information and that of the interviewee is to provide the same. Though, in present times, the interviewee also seeks information from interviewer.
 4. **Reference and background checks:** Many employers request names, addresses, and telephone numbers of references for the purpose of verifying information and, gaining additional information on an applicant. Previous employers, known persons, teachers and university professors can act as references.
 5. **Selection decision:** The final decision has to be made from among the candidates who pass the tests, interviews and reference checks. The views of the concerned manager will be generally considered in the final selection because it is he/she who is responsible for the performance of the new employee.
 6. **Medical examination:** After the selection decision and before the job offer is made, the candidate is required to undergo a medical fitness test. The job offer is given to the candidate being declared fit after the medical examination.
 7. **Job offer:** The next step in the selection process is job offer to those applicants who have passed all the previous hurdles. Job offer is made through a letter of appointment/confirm his acceptance. Such a letter generally contains a date by which the appointee must report on duty. The appointee must be given reasonable time for reporting.
 8. **Contract of employment:** After the job offer has been made and candidate accepts the offer, certain documents need to be executed by the employer and the candidate. One such document is the attestation form that will be a valid record for future reference. A contract of employment in which basic information will vary according to the level of the job, like job title, duties, responsibilities, rates of pay, allowances, hours of work, leave rules, sickness, grievance procedure, disciplinary procedure, work rules, termination of employment.

Training and Development

Training and development is an attempt to improve the employee performance by increasing an employee's ability to perform through learning, usually by changing the employee's attitude Or increasing skills and knowledge.

Importance of Training and Development

- ✚ The rapid changes in our society have led to organisations readapting the products and services produced production process and offering, job requirements and skills necessary to complete these jobs.
- ✚ Thus, as jobs have become more complex the importance of employee training has increased.
- ✚ Training and development help both the organisation and the individual.

Benefits to the Organisation

The benefits of training and development to an organisation are as follows:

1. It is a systematic learning, which lead to less wastage of efforts and money.
2. It enhances employee productivity both in terms of quantity and quality, leading to higher profits.
3. Training equips the future manager who can take over in case of emergency.

- Increases employee morale and reduces absenteeism and employee turnover.
- Effective response to fast changing environment – technological and economic.

Benefits to the Employee

The benefits of training and development activity to the employees are as follows:

- Improved skills and knowledge , lead to better career prospects
- Increased performance, help him to earn more.
- More efficient employee in handling machines. Thus, less prone to accidents.
- Training increases the satisfaction and morale of employees.

Training, Development and Education

Training

- Is any process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.
- Training is short term process of learning new skills and application of knowledge.
- It attempts to improve their performance on the current job or prepare them for any intended job.
- Training is tied to the goals of organisations more than to the goals of the individual.

Education

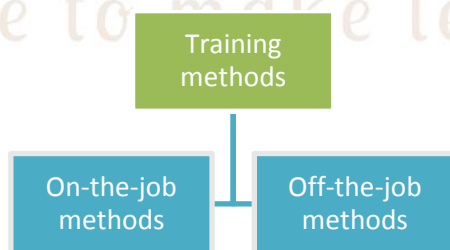
- Is the process of increasing the knowledge and understanding of employees and its interpretation.
- It does not provide definite answers, but rather develops a logical and rational mind that can understand a phenomenon.
- Education imparts qualities of mind and character and understanding of the basic principles and develops the capacities of analysis, synthesis and objectivity.
- Education is broader in scope than training.

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, help individuals in the progress towards maturity and actualisation of their potential capacities so that they become not only good employees but better men and women.
- Development is an on-going process which includes training.

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



On The Job Methods

- On-the-job methods refer to the methods that are applied to the workplace, while the employee is actually working. Means learning while doing.

1. Apprenticeship programmes:

- ✚ The trainee is put under the guidance of a master worker to acquire a higher level of skill.
- ✚ These apprentices are trainees who spend a prescribed amount of time working with an experienced guide, or trainer.
- ✚ People seeking to enter skilled jobs, for example, to become, plumbers, electricians or iron-workers, are often required to undergo apprenticeship training.
- ✚ A uniform period of training is offered to trainees, in which both fast and slow learner, are placed together. Slow learners may require additional training.

2. Coaching:

- ✚ The superior guides and instructs the trainee as a coach & suggests how to achieve mutually agreed upon goals
- ✚ The trainee works directly with a senior manager and the manager takes full responsibility for the trainee's coaching.
- ✚ The coach or counsellor periodically reviews the trainees progress and suggests changes required in behavior and performance.
- ✚ Classically the trainee is being groomed to replace the senior manager and relieve him from some of his duties, giving a chance for the trainee to learn the job also.

3. Internship training:

- ✚ It is a joint programme of training in which educational institutions and business firms cooperate. Selected candidates carry on regular studies for the prescribed period.
- ✚ They also work in some factory or office to acquire practical knowledge and skills. Eg doctors

4. Job rotation:

- ✚ Shifting the trainee from one department to another or from one job to another.
- ✚ To gain a broader understanding of all parts of the business and how the organisation as a whole functions.
- ✚ The trainee gets fully involved in the departments operations and also gets a chance to test her own aptitude and ability.
- ✚ It allows trainees to interact with other employees facilitating future cooperation among departments.
- ✚ It is easier at the time of promotions, replacements or transfers.

Off The Job Methods

- ✚ Off-the-job methods are used away from the work place. Means learning before doing.

1. Class room lectures/ conferences:

- ✚ This approach is well adapted to conveying specific information-rules, procedures or methods.
- ✚ The use of audio visuals or demonstrations can often make a formal classroom presentation more interesting while increasing retention and offering a vehicle for clarifying more difficult points.

2. Films:

- ✚ They can provide information and explicitly demonstrate skills that are not easily represented by the other techniques.
- ✚ Used in conjunction with conference discussions, it is a very effective method in certain cases.

3. Case study:

- ✚ Taken from actual experiences of organisations, cases represent attempts to describe, as accurately as possible real problems that managers have faced.
- ✚ Trainees study the cases to determine problems, analyse causes, develop alternative solutions, select what they believe to be the best solution, and implement it.

4. Computer modelling:

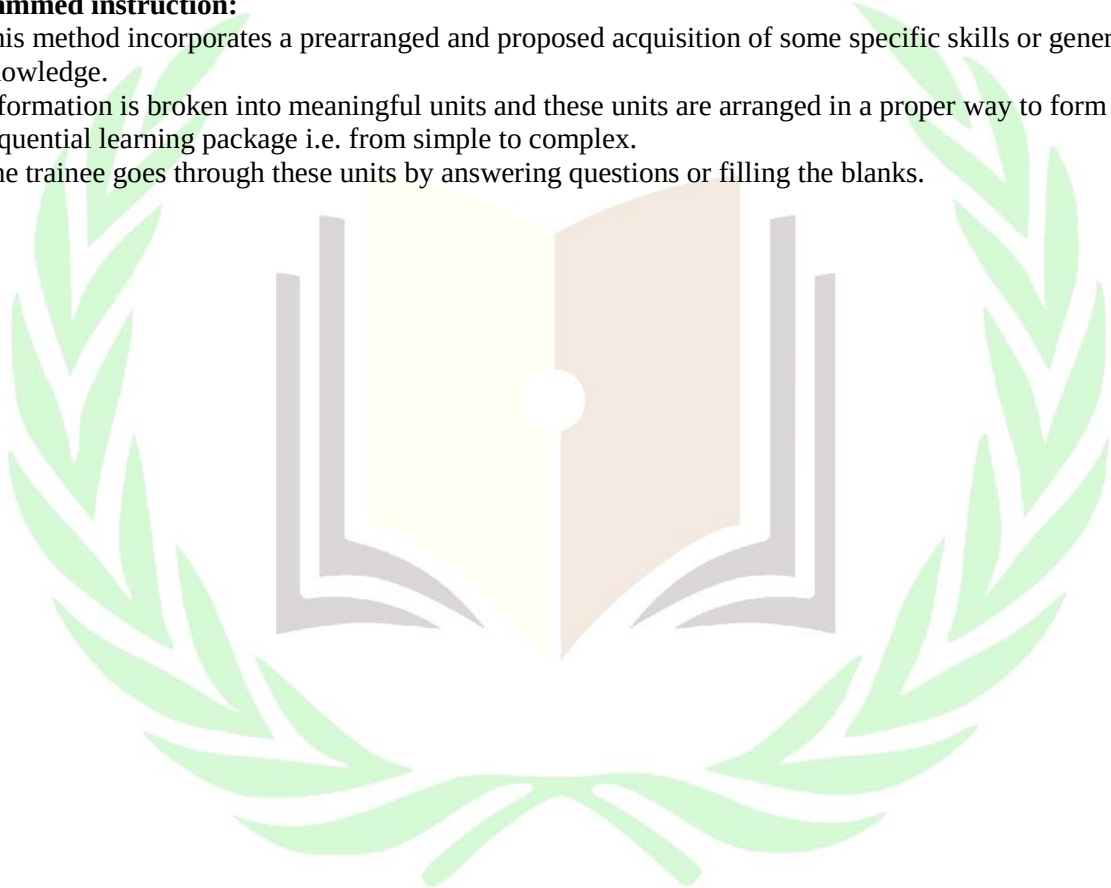
- ✦ It simulates the work environment by programming a computer to imitate some of the realities of the job and allows learning to take place without the risk or high costs that would be incurred if a mistake were made in real life situation.

5. Vestibule training:

- ✦ Actual work environments are created in a class room and employees use the same materials, files and equipment.
- ✦ Employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor.
- ✦ This is usually done when employees are required to handle sophisticated machinery and equipment.

6. Programmed instruction:

- ✦ This method incorporates a prearranged and proposed acquisition of some specific skills or general knowledge.
- ✦ Information is broken into meaningful units and these units are arranged in a proper way to form a logical and sequential learning package i.e. from simple to complex.
- ✦ The trainee goes through these units by answering questions or filling the blanks.



LEARNING BUSINESS STUDIES

An initiative to make learning 24x7