

# BUSINESS STUDIES

## Chapter 6: Staffing



## Staffing

### 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.

### Importance of Staffing:

- Efficient Performance of Other Functions:** For the efficient performance of other functions of management, staffing is its key. Since, if an organization does not have the competent personnel, then it cannot perform the functions of management like planning, organizing and control functions properly.
- Maximum and Efficient Utilization of Resources:** Staffing plays an important role in maximum and efficient utilization of resources. Because in every organization all the resources like, money, material and machine etc. are utilized efficiently through specialized manpower and specialized manpower can only appoint in an organization through a good staffing system.
- Development of Human Capital:** Another function of staffing is concerned with human capital requirements. Since the management is required to determine in advance the manpower requirements. Therefore, it has also to train and develop the existing personnel for career advancement. This will meet the requirements of the company in the future.
- Optimum Utilization of Human Resources:** The wage bill of big concerns is quite high. Also, a huge amount is spent on recruitment, selection, training, and development of employees. To get the optimum output, the staffing function should be performed in an efficient manner.
- Reduces Cost of Production:** Staffing also plays an important role in reducing cost of production. Because it helps in appointing right person at the right job, at the right, time so that no wastage and mistakes can be made by efficient personnel during the production of products. Hence, it is clear that it assists in reducing cost of production.
- Effective Use of Technology and Other Resources:** What is staffing and technology's connection? Well, it is the human factor that is instrumental in the effective utilization of the latest technology, capital, material, etc. the management can ensure the right kinds of personnel by performing the staffing function.

### Benefits of Staffing:

- Best candidate:** Staffing aids in the identification and selection of the best candidate for the job.

2. **Increases Efficiency:** It ensures that the right people are chosen for the right job, which contributes to the organization's overall efficiency and performance.
3. **Better growth opportunities:** An organization has a better chance of growing if the best candidates are chosen for the job.
4. **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.
5. **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.

## Staffing As a Part of Human Resource Management:

- 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.

## Staffing process:



1. **Manpower Planning:** Manpower planning can be regarded as the quantitative and qualitative measurement of labour force required in an enterprise. Therefore, in an overall

sense, the planning process involves the synergy in creating and evaluating the manpower inventory and as well as in developing the required talents among the employees selected for promotion advancement.

2. **Recruitment:** Recruitment is a process of searching for prospective employees and stimulating them to apply for jobs in the organization. It stands for finding the source from where potential employees will be selected.
3. **Selection:** Selection is a process of eliminating those who appear unpromising. The purpose of this selection process is to determine whether a candidate is suitable for employment in the organization or not. Therefore, the main aim of the process of selection is selecting the right candidates to fill various positions in the organization. A well-planned selection procedure is of utmost importance.
4. **Placement:** Placement means putting the person on the job for which he is selected. It includes introducing the employee to his job.
5. **Training:** After selection of an employee, the important part of the programmed is to provide training to the new employee. With the various technological changes, the need for training employees is being increased to keep the employees in touch with the various new developments.
6. **Development:** A sound staffing policy provides for the introduction of a system of planned promotion in every organization. If employees are not at all having suitable opportunities for their development and promotion, they get frustrated which affect their work.
7. **Promotions:** The process of promotion implies the up gradation of an employee to a higher post involving increasing rank, prestige, and responsibilities. Generally, the promotion is linked to increment in wages and incentives but it is not essential that it always relates to that part of an organization.
8. **Transfer:** Transfer means the movement of an employee from one job to another without increment in pay, status or responsibilities. Therefore, this process of staffing needs to evaluated on a timely basis.
9. **Appraisal:** Appraisal of employees as to how efficiently the subordinate is performing a job and also to know his aptitudes and other qualities necessary for performing the job assigned to him.
10. **Determination of Remuneration:** This is the last process which is very crucial as it involves in determining remuneration which is one of the most difficult functions of the personnel department because there are no definite or exact means to determine correct wages.

## Benefits of Staffing Process:

The benefits of an effective staffing function are as follows:

- Staffing process helps in getting right people for the right job at right time. The function of staffing helps the management to decide the number of employees needed for the organization and with what qualifications and experience.
- Staffing process helps to improved organizational productivity. Therefore, through proper selection of employees in the organization, it can increase the quality of the employees, and through proper training, the performance level of the employees can also be improved.
- It helps in providing job satisfaction to the employees and thus keeps their morale high. With proper training and development programmer, the employees get motivation, and their efficiency improves, and they feel assured of their career advancements.
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## Recruitment:



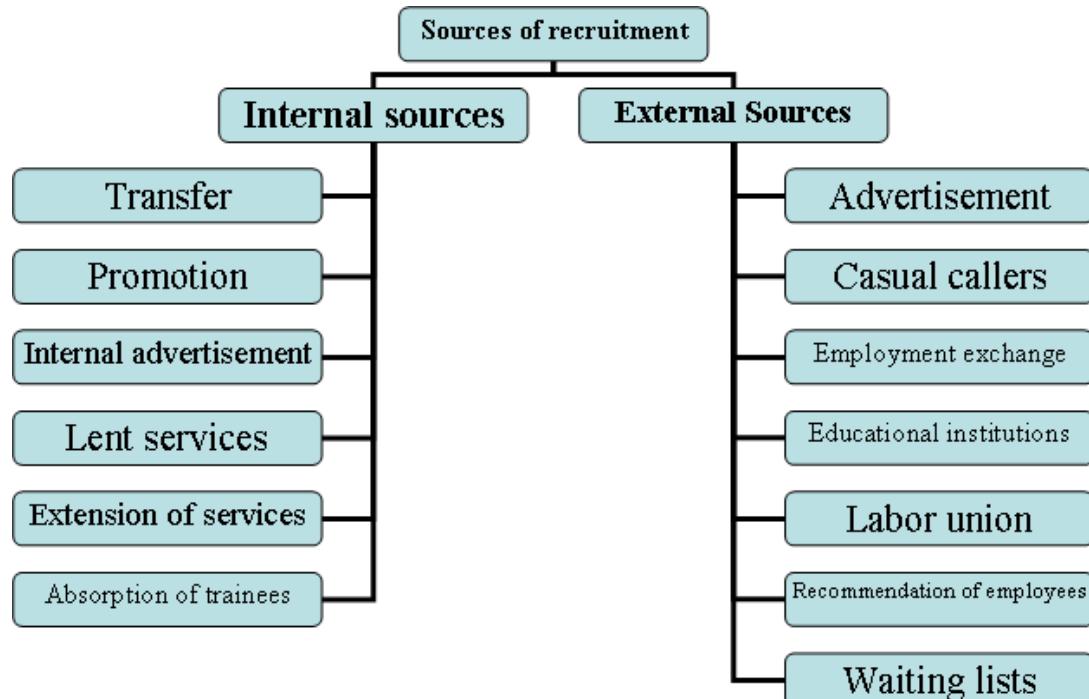
Recruitment may be defined as the process of searching for prospective employees and stimulating them to apply for jobs in an organization.

## Sources of Recruitment:

1. There are two sources of recruitment:
2. Internal
3. External

### Internal Sources:

Internal Sources of recruitment are those sources in which the talent acquisition is done from within the organization.



1. **Transfers:** Transfer involves shifting of persons from present jobs to other similar jobs. These do not involve any change in rank, responsibility or prestige. The numbers of persons do not increase with transfers.
2. **Promotion:** Promotions refer to shifting of persons to positions carrying better prestige, higher responsibilities and more pay. The higher positions falling vacant may be filled up from within the organisation. A promotion does not increase the number of persons in the organisation.
3. **Present Employees:** The present employees of a concern are informed about likely vacant positions. The employees recommend their relations or persons intimately known to them. Management is relieved of looking out prospective candidates.

### Advantages of Internal Sources Recruitment:

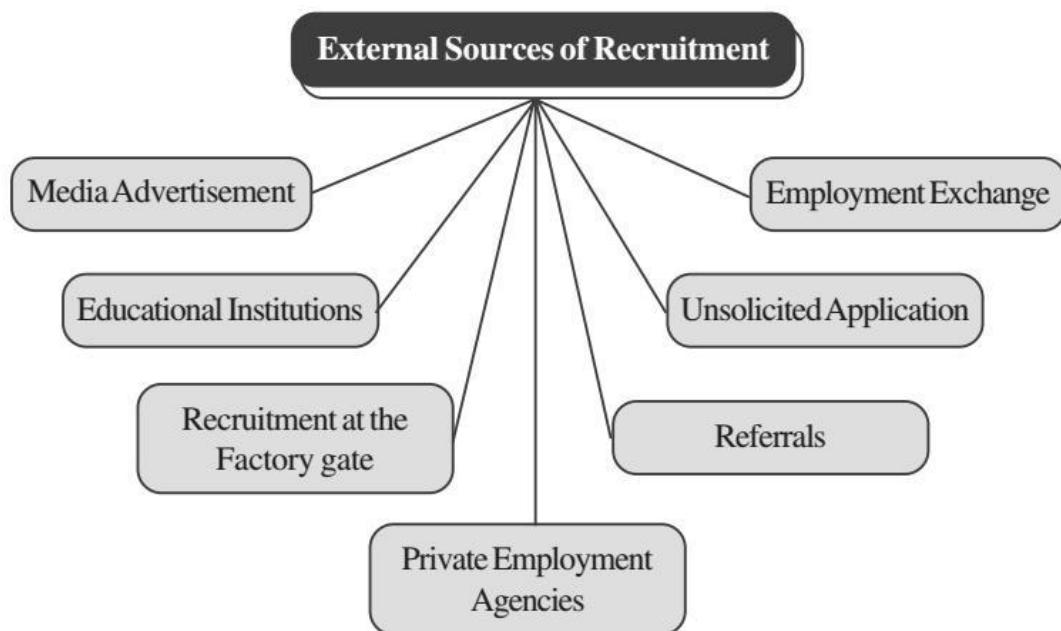
1. Employees are motivated to improve their performance.
2. Internal recruitment also simplifies the process of selection & placement.
3. No wastage of time on the employee training and development.

4. Filling of jobs internally is cheaper.

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## 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:

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.
2. **Casual callers:** Many reputed business organizations keep a data base of unsolicited applicants in their office. This list can be used for Recruitment.
3. **Advertisement:** Advertisement in media is generally used when a wider choice is required. Example— Newspapers, Internet, Radio, Television etc.
4. **Employment Exchange:** Employment exchange is regarded as a good source of recruitment for unskilled and skilled operative jobs.
5. Campus recruitment and labour contractors can be used for the purpose.

## Merits of External Sources:

1. **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.
2. **Wider Choice:** The management has a wider choice in selecting the people for employment.
3. **Fresh Talent:** It provides wider choice and brings new blood in the organization.
4. **Competitive Spirit:** If a company taps external sources, the staff will have to compete with the outsiders.

## Limitations of External Sources of Recruitment:

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

## Selection:

Selection is the process of choosing from among the candidates from within the organization or from outside, the most suitable person for the current position or for the future position.

### 1. Process of selection:

The successive stages in selection process are:

**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:

- **Intelligence Tests:** It tests a person's ability to make decisions and adjustments.
- **Aptitude Tests:** It is a measure of individuals potential for learning new skill.
- **Personality Tests:** personality tests provide clues to a person's emotion.
- **Trade Tests:** It measures the existing skills of an individual.
- **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 doubt.

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. After acceptance, both employer and employee will sign a contract of employment which contains terms & conditions, pay scale, leave rules, hours of work, mode of termination of employment etc.

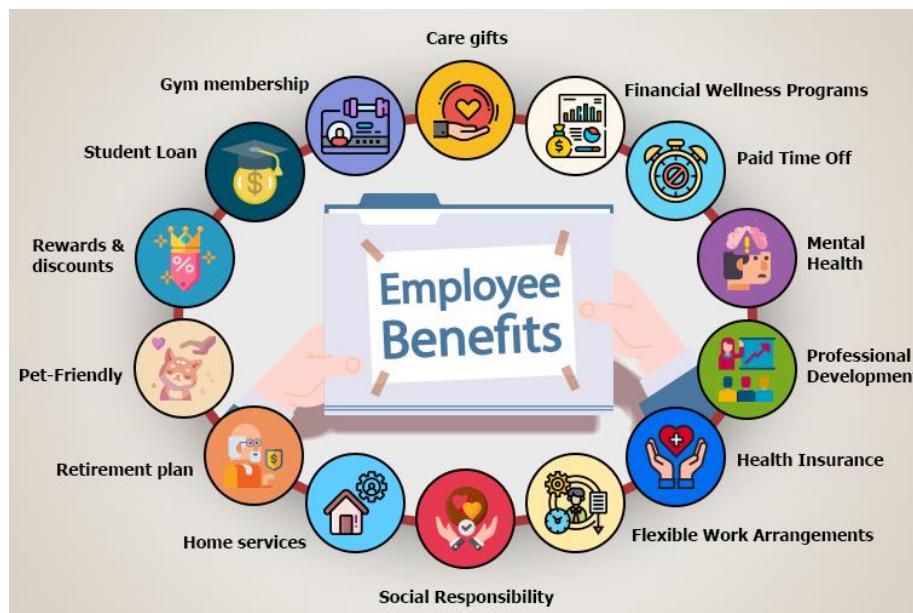
## Difference between Recruitment and Selection:

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	Selection is the third stage of the staffing process,

	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.

**Training:** Training is the 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 job related skills.

## Benefits to the Employee:



- Better career opportunities:** Training helps in improving the knowledge of the employee which in turn helps in improving his career prospects.
- Earn more:** By helping the individual to improve their knowledge and skills, it improves the earning prospects of employees.
- Less accident prone:** With proper training, employees become more efficient in handling complex machines. This helps in reducing the chances of an accident.

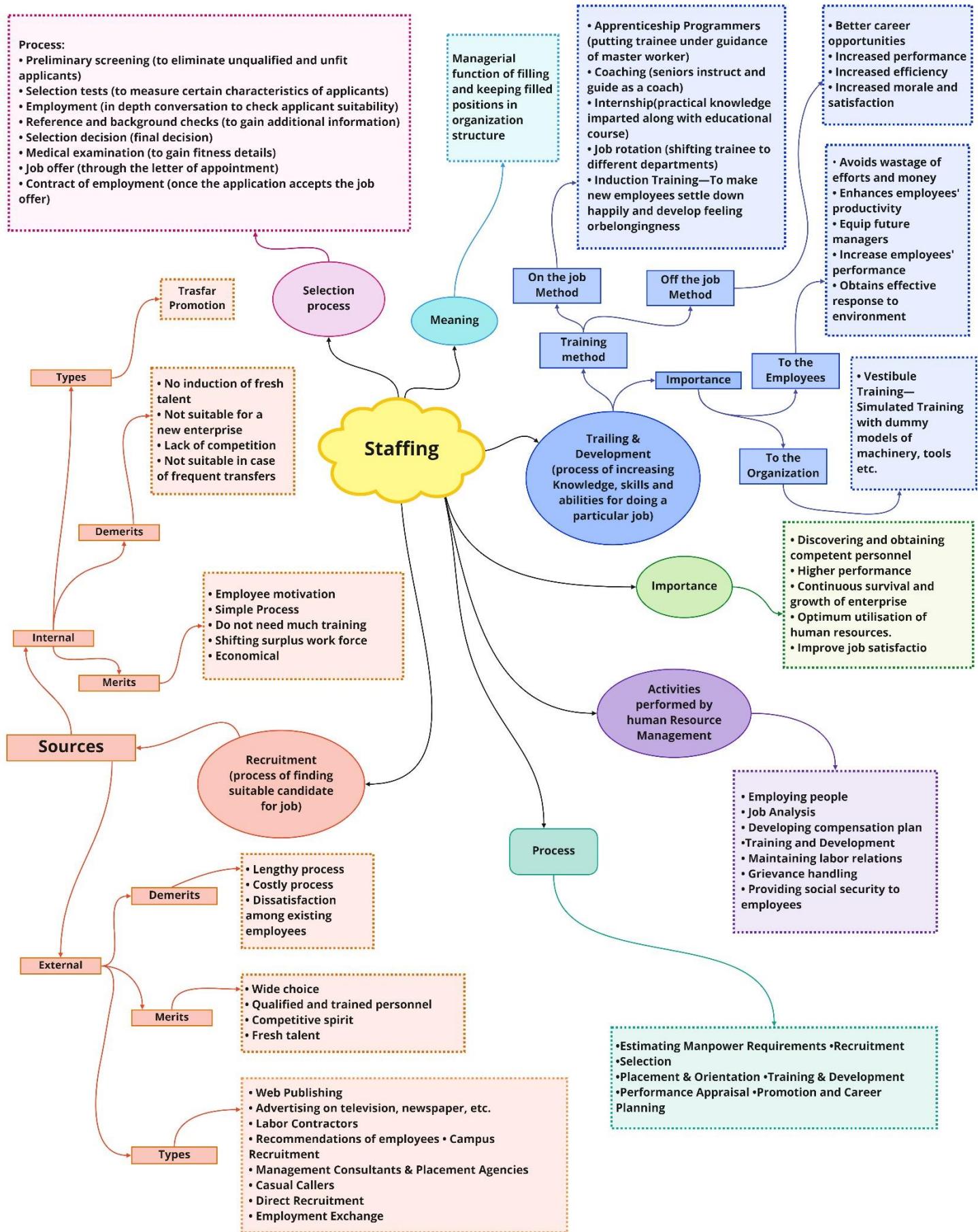
4. **Self-confidence:** By increasing knowledge, skills and aptitude of employees, training helps in boosting self-confidence, which in turn helps in improving job satisfaction.

## 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.

## Difference Between Training and Development:

Basis of Difference	Training	Development
Meaning	Training is the process of improving an employee's skills and competence required to perform a specific job.	The process of an employee's overall growth is referred to as development.
Scope	Training is limited in scope and focuses on how to become more efficient in one's intended job.	Development is broader in scope and focuses on the employee's overall personality development. Training is a component of development.
Focus	The focus of training is on the specific job requirement, so it is job oriented.	The focus of development is on overall growth and, as a result, is career oriented.



## Important Questions

### **Multiple Choice questions-**

Question 1. Recruitment is a \_\_\_\_\_

- (a) Day-to-day Process
- (b) Negative Process
- (c) Positive process
- (d) None of the above

Question 2. Main aim of Recruitment is \_\_\_\_\_

- (a) To attract more and more candidates
- (b) To attract fewer candidates
- (c) To call selected candidates
- (d) None of the above

Question 3. Which test is helpful in assessing the individual's capacity for learning new skills?

- (a) Trade Test
- (b) Aptitude Test
- (c) Personality Test
- (d) Intelligence Test

Question 4. Under which method of training, employees are shifted from one job position to another:

- (a) Promotion
- (b) Transfer
- (c) Training
- (d) Job Rotation

Question 5. Selection is the process of \_\_\_\_\_

- (a) Inviting Applications
- (b) Identifying different sources of recruitment
- (c) Identifying and choosing the best candidate
- (d) None of the above

Question 6. Which method of training is concerned with familiarizing the new employee with the organization?

- (a) Induction training
- (b) Apprenticeship training
- (c) Coaching

(d) Job rotation

Question 7. The main purpose of Selection is \_\_\_\_\_

(a) To Select board members

(b) To Select Recruiters

(c) To attract more candidates

(d) To Select most suitable candidate

Question 8. Lectures and Conferences are method of \_\_\_\_\_

(a) Training

(b) Development

(c) Recruitment

(d) Selection

Question 9. Staffing is very important function these days because of \_\_\_\_\_

(a) Advancement of technology

(b) Increasing size of organisation

(c) Complicated behaviour of human beings

(d) All of the above

Question 10. Recruitment is the process of \_\_\_\_\_

(a) Promotion of employees

(b) Training to employees

(c) Performance Appraisal

(d) Searching for prospective employees

Question 11. Staffing is \_\_\_\_\_ function

(a) Top Level Function

(b) Planning

(c) Budget

(d) Managerial Function

Question 12. Which of the following is not concerned with staffing?

(a) Recruitment

(b) Training

(c) Publicity

(d) Selection

Question 13. Staffing function begins with \_\_\_\_\_

(a) Selection

- (b) Estimating manpower requirements
- (c) Training
- (d) Promotion

Question 14. Face to face conversation between employer and applicant is known as:

- (a) Selection
- (b) Orientation
- (c) Interview
- (d) Campus recruitment

Question 15. Training is a process by which \_\_\_\_\_ of employees is increased.

- (a) Knowledge
- (b) Aptitudes
- (c) Skills and abilities
- (d) All of the above

### Very Short-

- 1) why is induction is not required in the internal source of recruitment.
- 2) State the meaning of placement as a staffing function.
- 3) Name two websites which are commonly visited both by the prospective employees and the organizations searching for suitable people.
- 4) Training and Development are one and the same thing. Do you agree?
- 5) It is described as the managerial function of filling and keeping filled the positions in the organization structure. Which function of management is referred here?
- 6) It is recruitment, selection, development, utilization, compensation and motivation of human resources of the organization. Give the name of the concept mentioned here.
- 7) .It implies introducing the selected employee to other employees and familiarizing him with the rules and policies of the organization. Name it.
- 8) What is the next step after selection?
- 9) It seeks to attract suitable applicants to apply for available jobs. Give the term.
- 10) These are run by the Government as a source of recruitment for unskilled and skilled operative jobs. What is being referred here?

### Short Questions-

- 1) "There is no need of human resource planning as so many people are available in the market these days." Do you agree with this statement? Give reasons.
- 2) "The present day human resource management is a broader concept." Explain.
- 3) Describe briefly the steps involved in the process of staffing.

- 4) 'Internal sources of recruitment are better than external sources of recruitment.' Do you agree with this statement? Give any two reasons in support of your answer.
- 5) What is meant by 'Selection'? Explain any five steps involved in the process of selection of employees.
- 6) Distinguish between training and development.
- 7) State the benefits of employee's training.
- 8) What do you meant by 'on the job training'? Explain any three methods of 'off the job' training.
- 9) Hamish is working as a supervisor in a company. Due to his hard work he is promoted to the post of Production Manager. Now the post of supervisor is vacant and no one can be transferred or promoted to this post. Name the source of recruitment the company will use to fill up this post. State any three advantages of using this source of recruitment. (4M)
- 10) While selecting employees, an organization is not giving any priority to disabled candidates, weaker sections in the society and even women. Identify the values missing in the company's selection process and also suggest a remedy.

### Long Question-

Question 1. Explain in brief on the job methods of training.

Question 2. Today staffing is the activity of personnel Department/ Human Resource Management. Explain the functions of Human Resource Management?

Question 3. What is manpower planning? Explain the different steps to be taken while preparing Manpower Planning?

Question 4. Describe three off-the-job methods of training.

Question 5. Write short notes one

1. Employment Tests
2. Evolution of HRM

Question 6. What is the importance of staffing function in today's environment?

### Case Study Based Question-

1. 'New range' is a chain of departmental stores in India with 56 outlets. It sells the best products at the lowest price. The Human Resource department takes care to select, train, motivate and retain the employees. Currently, it has 170 full time employees and 30 part time employees.

For top-level management, employees are recruited through private consultants. These professional recruiters can entice the needed top executives from other companies by making the right offers. Employees appointed at the entry level are recruited through walk-in. For that, a notice is placed on the notice board specifying the details of the jobs available. 'Newrange' also encourages present employees or their friends and relatives to refer candidates. They also visit some of the reputed educational institutions to hire

some of the most talented and promising students as its employees.

'New range' shifts workforce from surplus departments to those where there is shortage of staff instead of laying them off. Explain the various internal and external sources of recruitment used by 'New range' to recruit its employees.

2. A company X limited is setting up a new plant in India for manufacturing auto components. India is a highly competitive and cost effective production base in this sector. Many reputed car manufacturers source their auto components from here.

X limited is planning to capture about 40% of the market share in India and also export to the tune of at least \$5 million in about 2 years of its planned operations. To achieve these targets it requires a highly trained and motivated work force. You have been retained by the company to advise it in this matter. While giving answers keep in mind the sector the company is operating.

- Outline the process of staffing the company should follow.
- Which sources of recruitment the company should rely upon. Give reasons for your recommendation.
- Outline the process of selection the company should follow with reasons.
- Which methods of training and development should be company initiate? Explain giving reasons.

### Assertion Reason Question-

1. In these questions, a statement of assertion followed by a statement of reason is given. Choose the correct answer out of the following choices.

- Assertion and reason both are correct statements and reason is correct explanation for assertion.
- Assertion and reason both are correct statements but reason is not correct explanation for assertion.
- Assertion is correct statement but reason is wrong statement.
- Assertion is wrong statement but reason is correct statement.

Assertion (A): Recruitment is a positive step in the process of staffing.

Reason (R): Internal sources of recruitment boosts up the morale of employees.

2. In these questions, a statement of assertion followed by a statement of reason is given. Choose the correct answer out of the following choices.

- Assertion and reason both are correct statements and reason is correct explanation for assertion.
- Assertion and reason both are correct statements but reason is not correct explanation for assertion.
- Assertion is correct statement but reason is wrong statement.

d. Assertion is wrong statement but reason is correct statement.

Assertion (A): The staffing function has assumed greater importance in the present scenario.

Reason (R): There has been rapid advancement of technology, increasing size of organisation and complicated behaviour of human beings.

### MCQ Answers-

1. Answer: (c) Positive process
2. Answer: (a) To attract more and more candidates
3. Answer: (b) Aptitude Test
4. Answer: (d) Job Rotation
5. Answer: (c) Identifying and choosing the best candidate
6. Answer: (a) Induction training
7. Answer: (d) To Select the most suitable candidate
8. Answer: (a) Training
9. Answer: (d) All of the above
10. Answer: (d) Searching for prospective employees
11. Answer: (d) Managerial Function
12. Answer: (c) Publicity
13. Answer: (b) Estimating manpower requirements
14. Answer: (c) Interview
15. Answer: (d) All of the above

### Very Short Answers-

1. Ans. Because employees are already well familiar with the organization.
2. Ans. Placement: Once the job offer has been accepted by the selected candidate he placed on this new job. Proper placement of an employee reduces absenteeism Placement therefore refers to placing the right person on the right job.
3. Ans. a) [www.naukari.com](http://www.naukari.com); b) [www.jobstreet.com](http://www.jobstreet.com)
4. Ans. No they are different
5. Ans. Staffing
6. Ans: Human Resource Management.
7. Ans: Orientation.
8. Ans: Placement and Orientation.
9. Ans: Recruitment.

10. Ans: Employment exchanges.

### Short Answer-

1. Ans. No, I don't agree with this statement. There is a great need of man power planning due to the following reasons:

1. Organisation needs man power planning: To meet the demands of changing job requirements due to change of technology.
2. Man power requires forecasting: Provides a basis of recruitment, transfer and training employees.

2. Ans. The present day human resource management includes the following activities:

- a. Helps the organization to achieve its goals
- b. Employees the skills and knowledge of employees efficiently and effectively.
- C. Enhance job satisfaction.
- d. Maintain high morale and good human relations within the organization.

3. Ans. Man power Planning: The organization estimate the total man power requirement by considering all the departments of the organization.

Recruitment: The second step after man power planning is recruitment and selection. Recruitment aims at attracting job applicants preposition in the organization.

Selection: Selection consists of making choice among applicants.

Placement and Orientation: It refers to placing the right person on the right job.

Induction: it is concerned with the process of introduction of a new employee to the organization.

Training and development: It is more accurately considered as a process of skill formation and behavioral change. Performance appraisal Promotion and career planning Compensation.

4. Ans. Yes, I agree with this statement.

Advantages: 1. It will assist in developing high moral of employees.

2. The candidates already working in the organization can be evaluated more economically as the expenditure is relatively less.

5. Ans. Selection is the process of carefully screening the candidates who offer themselves for appointment so as to choose the most appropriate person for the job.

Steps :

1. The preliminary screening : A brief screening interview is conducted as the first step in the selection process.
2. Selection test: Each candidate appears for employment test.
3. Employment Interview: Interview is a phase of testing on the basis of face to face

interaction between the interviewer and the applicant.

4. Reference and background checking: Gather more information about the candidates from indirect personal sources.
5. Selection decision: After candidates process the tests and interview final decision for selection is made after considering the view of concerned **manager**.
6. Medical Test: The selection process is not complete without the medical test.
7. Job offer: Letter of appointment mentioning the date by which a candidate has to report on duty is handed over to the appointee.
8. Contract of employment: It includes various details such as pay, **allowances, work rules etc.**

#### 6. Ans.

Training	Development
It is used to add skills abilities of the workers	Development involves improving the capacities and capability of the managerial personnel.
The term training is generally used to impart specific skills among operative workers	It is associated with the over all growth of the executives.
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 carrier oriented process.

#### 7. Ans. Benefits to the organization

- a) Economic operations: Trained personal will make economic and efficient use of resources.
- b) Increases productivity; It improves the quality and quantity of the production

#### Benefits to the employees:

- a) Acquisition of new skills: A trained employee acquires new skills.
- b) Higher Earnings: Trained employees can perform better and there by earn more. superiors at the actual work place.

#### 8. Ans: A) On the job training: Learning by doing by the subordinates under the supervision of superiors at the actual work place.

#### B) Methods:

- i. Apprenticeship Programme: It is designed for higher levels of skills. It ensures on the job training and is explained with classroom instruction in a particular subject.
- ii. Coaching: At lower levels the coaching may simply consist of trainee observing his supervisor so as to develop the basic skills necessary for operating machine.
- iii. Internship training: Technical institutes and business organizations jointly impart

training to their members.

iv. Job rotation: It is a method of training which serves the purpose of employees' development through provision of diversified training.

9. Ans: The Company will use external source of recruitment.

Advantages: i. Fresh talent ii. Wider choice iii. Qualified personnel

10. Ans.

- i. Social objectives are not followed.
- ii. Gender biased.
- iii. Inclusive employment policy is violated
- iv. Company's selection policy is not good.

Company should give equal opportunity to all the prospective candidates.

### Long Answer-

1. Answer: Under this method, the worker is given training at the workplace by his immediate supervisor. In other words, the worker learns in the actual work environment. It is based on the principle of learning by doing'. On-the-job training is considered to be the most effective method of training the operative personnel.

On the job training is suitable for imparting skills that can be learnt in a relatively short time. It has the chief advantage of strongly motivating the trainee to learn. It is not located in an artificial situation. It permits the trainee to learn on the equipment and in the work-environment, On-the-job training methods are relatively cheaper and less time-consuming. Another important factor in on-the-job training is that supervisor playing an important part in training subordinates.

There are four methods of on-the-job training described below –

1. Coaching: Under this method, the supervisor imparts job knowledge and skills to his subordinate. The emphasis in coaching or instructing the subordinate is on 'learning by doing' This method is very' effective if the superior has sufficient time to provide coaching to his subordinate.

2. Understudy: The superior gives training to his subordinate as his understudy or assistant. The subordinate learns through experience and observation. This technique prepares the subordinate to assume the responsibilities of the superior's job in case the superior is absent or . he leaves the organisation.

3. Job Rotation: The trainee is systematically transferred from one job to another so that he may get the experience of different jobs. This will broaden his horizon and capacity to do a variety of jobs. Rotation of an employee from one job to another should not be done frequently. He should be allowed to stay on a job for a sufficient period so that he ' may acquire the full knowledge of the job.

Job Rotation is used by many organisations to develop all-round workers. The employees learn new skills and gain experience in handling, different kinds of jobs.

They also come to know the interrelationship between different jobs. Job rotation is also used to place workers on the right jobs and prepare them to handle other jobs in case of need.

4. Vestibule Training: Vestibule training is adapted to the same work environment as prevails at the actual work-place in the factory. Vestibule training is suitable where a number of persons are to be trained at the same time for the same kind of work. A vestibule training workshop may be set up by an industrial organisation when it is not possible to give training to the employees at the work-place. The training job is entrusted to – the qualified instructors. The main emphasis is on learning rather than on production.

Vestibule training is an attempt to duplicate as nearly as possible the actual conditions of the work-place. The learning conditions are carefully controlled. The trainees can concentrate on training because they are not under any pressure of work. Their activities do not interfere with the regular process of production. Thus vestibule training is very much suitable where a large number of persons are to be trained and where mistakes are likely to occur which will disturb the production schedules.

2. Answer: Creation of Human Resource or Personnel Department: Staffing' is the responsibility of every manager. However, in not organisation, personnel or Human Resource Department is set up under the charge of Personnel or Human Resource Manager. The personnel department serves as a service department. It performs various personnel functions assigned to it by the other departments. The Personnel Manager enjoys the status of a specialist in personnel matters. Normally, persons with post-graduate qualifications in Human Resource Management, Personnel Management and Industrial Relations are preferred for this post.

The establishment of the Personnel Department does not relieve the line managers of the staffing responsibilities. In fact, the staffing function is an inherent part of the job of every manager. The Personnel Manager is appointed to provide expert assistance to them in the performance of their staffing functions of manpower planning, employment, placement, induction, training and performance appraisal. Besides these functions, the personnel department is also responsible for motivation. Working conditions, human relations and personnel records. We shall study these functions under the heading of operative Functions or Responsibilities.

### Functions of Human Resources Management.

There are two sets of functions of human resources management. These include

1. Managerial functions
2. Operative functions

1. Managerial Functions: The Human resources or Personnel Manager is a part of the management. So he performs the basic managerial functions of planning, organising, directing and controlling in relation to his department Like any other manager, the Personnel Manager performs all the managerial functions.

2. Operative Functions or Responsibilities: The operative functions are the specific responsibilities which are entrusted to the personnel department under the supervision of the Human Resource Manager. There are concerned with, employment, training, development, compensation, integration and maintenance of personnel of the organisation.

A brief description of the basic responsibilities or functions of the Personnel Manager is given below –

1. Employment of Personnel: The first major responsibility of the Personnel Manager is the employment for proper kinds and a number of persons necessary to do various jobs in the Organisation. It involves manpower, planning, recruitment, selection, placement etc. of the personnel.

Manpower planning helps to determine the manpower requirements for various departments. Recruitment is concerned with the sources of supply of work force, whereas selection involves a number of steps to employ the right type of people for various jobs. The selected employees are placed in the jobs for which they are better suited.

2. Training and Development: After placing the people on various jobs, personnel management is concerned with imparting them training to do their work efficiently. Proper development of Personnel is essential to increase their skills in the performance of their jobs. The personnel department designs and runs the appropriate training programmes for developing the necessary skills among the personnel.

3. Compensation: This function is concerned with the determination of adequate and fair remuneration of the people for their work. The employees can be compensated both in terms of monetary as well as non-monetary rewards. Factors which must be borne in mind while fixing the compensation or remuneration of personnel are their basic need, requirements of jobs, legal provisions regarding minimum wages, the capacity of the organisation to pay, wage level afforded by the competitors etc. For fixing the wage levels, the Personnel Manager can also make use of techniques like job evaluation, performance rating etc.

4. Motivation of Workforce: Employees work in the Organisation for the satisfaction of their needs. In many cases, it is found that they do not contribute towards the organisational goals as much as they can. This happens because employees are not adequately motivated. The personnel Manager helps the various department managers to devise a system of financial and non-financial rewards to motivate the employees.

5. Maintainance of Good Working Conditions: The employees must be provided with good working conditions so that they like their work and work-place and maintain their efficiency. Working conditions influence the motivation and morale of the employees. These include the measures taken for the health, safety and comfort of the working force. The personnel department also provides for various welfare services which relate to the physical and social well-being of the employees. These may include the provision of the cafeteria, restrooms, counselling, group insurance, education of children of employees, recreational facilities etc.

6. Achieving Good Human Relations: The personnel Manager must provide an efficient system of communication to ensure the two-way exchange of information. Many time

industrial disputes occur because of poor communication. The personnel manager should always keep himself in contact with, the trade union leaders to understand their grievances and attempt to remove them so that harmony is maintained in the organisation,

**7. Personnel Records:** It is the duty of the personnel department to maintain records of the employees working in the enterprise. It keeps full records about their training, achievement, transfer, promotion etc. It preserves many other records relating to the behaviour of personnel like absenteeism and labour turnover and personnel programmes and policies of the organisation. It also maintains various records and registers as required by the Factories Act, the employees state Insurance Act and other Labour Laws.

**3. Answer:** Manpower planning or human resource planning is the process of determining scientifically the number and type of employees that an enterprise will need in a specified period of time in future. Its purpose is to ensure that the organisation will have an adequate number of qualified persons at the proper time to perform various jobs efficiently and with personal satisfaction. Manpower planning consists of the following steps

**1. Forecasting Manpower Needs:** First of all number and type of personnel required are anticipated. The number of employees required in a future period can be estimated by keeping in mind the expected workload. Workload depends upon the production and sales budgets, expansion plans etc. of the company. The type of employees required is estimated by keeping in view the requirements of job vacancies to be filled. Job requirements can be determined by analysing jobs. Job analysis is a thorough analysis of the job to identify the knowledge, skills and experience required for effective performance.

**2. Preparing Manpower Inventory:** A detailed list of existing manpower is prepared. Then the number and quantity of existing staff are assessed to determine the extent to which manpower forecast can be met from within the organisation. The qualifications, experience, aptitude etc. of every employee are analysed. Such an inventory of existing manpower is called manpower inventory or manpower audit.

Manpower inventory will give an idea as to how far the future requirements of manpower can be met from within the organisation. It will reveal the adequacy of manpower in terms of number and skills. Absenteeism and labour turnover and such other manpower problems are also anticipated. A comparison between manpower forecast and manpower inventory will reveal gaps in manpower to be filled from outside.

**3. Formulating Manpower Programmes:** Detailed programmes are prepared for recruitment, selection, training, transfer and promotion of employees so as to meet future manpower needs. The first step in the staffing process is the estimation of manpower requirements. It is known as human resource planning or manpower planning. Under it the number and kind of personnel required by the organisation during a specified future period (e.g. one year) are determined. Then the number and type of existing personnel are assessed.

This indicates the extent to which the future manpower needs can be met from within the organisation. It also gives an idea as to how far it is necessary to recruit people from outside. Finally, programmes are formulated to recruit, select and train the required staff over the planning period.

The objectives of estimating staff requirements are to ensure that the organisation has adequate number and quality of employees to fill in the various positions. It is useful in many ways. It continuously provides the personnel required at various levels in the organisation. It enables the organisation to make full use of its resources. The organisation can meet its changing manpower needs without any problem. It is also in a position to fill in vacancies arising from the retirement of its senior managers.

While estimating man-power requirements, the managers should consider several factors which is as follows:

- (a) Plans of the organisation concerning products services, expansion of operations etc:
- (b) Nature and size of the organisation including the degree of decentralisation, a span of control staff units, departmentation etc.
- (c) Type of technology to be adopted i.e. a degree of mechanisation and automation.
- (d) Retirement schedule of the existing staff.
- (e) Number of employees who may leave the organisation.
- (f) the Average number of personnel absent from the job.

Systematic manpower planning necessary due to the following reasons:

- (a) Future man-power needs: Future manpower needs cannot be determined without systematic manpower planning. With the help of manpower planning, an organisation can secure the services of the right type of people at the right time.
- (b) Scarce talent: Modern organisations require highly specialised technicians and professionals. There is a scarcity of such talent. Manpower planning helps in ensuring an adequate supply of skilled personnel for an organisation. ,
- (c) Coping with changes: Changes in technology, products, marketing conditions etc. require changes in job content, skill requirements, kind of people etc. Manpower planning helps in avoiding a shortage of manpower in some areas and surplus in other areas.
- (d) Growth and expansion: Manpower planning is necessary for ensuring replacements from time to time due to retirement and death of existing employees. Moreover, an organisation can properly meet its manpower requirements arising out of expansion and growth schemes. Manpower planning helps in optimum utilisation of manpower and in minimising the cost of labour. Workers who become redundant due to automation can be absorbed in new jobs after some training. This helps to improve industrial.

4. Answer: Off-the-job Training: Off-the-job training as the name itself indicates, refers to training conducted away from the actual work setting. There may be a special site in the organization itself or in a non-organizational location elsewhere (for example, vocational school or university). Off-the-job training is particularly useful and appropriate for certain managerial skills such as interpersonal abilities and also for certain production jobs where machinery is employed to control the pace of work-an example may be the assembly-line operation and is also useful for some technical jobs where teaching expertise is found elsewhere.

Some of the common methods of off-the-job training include lectures, conferences, group discussions, role-playing, case studies, programmed instruction, and T. group training.

(a) Lectures and classroom instruction: Classroom training is conducted off the job and is probably the most familiar method. It is an effective means of imparting the information and knowledge quickly to a large chunk of members „ with limited knowledge or no knowledge of the subjects being taught. Lecturing is particularly useful for teaching the factual material, concepts, principles, theories and their application to job situations.

In general, classroom instructions are more frequently used for technical, professional and managerial employees. These ' lectures are formally organized talks by the training specialists themselves. Lecturing is an effective method and is interesting especially when able lecturers are employed to impact the knowledge – technical or otherwise. But the disadvantages of lecturing include:

1. the learners may be passive instead of active.
2. there is no feedback from the audience regarding their lecturers.
3. a clear and vigorous presentation on the part of the lecturer requires a great deal of preparation;
4. the untrained and inexperienced lecturer may deliver an unpalatable lecture, he might rumble of pack too much redundant „ information in a single lecture leaving the important technical details.
5. lecturing emphasizes the routine memorization of facts rather than the practical aspects of a job. However, the lecture method in training is useful to introduce the subject matter its overview, its principles, laws, classification, and summaries etc. to the listeners. Because of its simplicity and efficiency in imparting knowledge, the lecture method is still alive in work organizations.

(b) The conference method: Instead of indulging in straight lecturing, some organizations prefer to hold conferences where participants are required to pool their ideas, viewpoints, suggestions and discuss them at conferences. Conferences provide a common plate form for intensive and through group discussion and result in suggesting the improved methods of performing work in the organization.

The conference allows the trainee to look at the problem from a broad angle allow him to analyse it more carefully and arrive at conclusion. Conference method is ideal for analysing problems and issues concerning organizations and their members' conferences reduce the dogmatism and promote understanding between members. Upon close and intensive discussions, members will be willing to accept change, if any for the betterment of the organization. Conferences method has several limitations such as

1. it is limited to a small group of people ranging from fifteen to twenty-five.
2. progress of learning is slow because all the members have ' full freedom to speak and in the curiosity of participation some. members may come out with totally irrelevant issues, and
3. some members may feel that the whole conference is useless unless they are made

aware of the objectives of holding the conference.

(c) Group discussion: Also known as team discussion, or seminar in the group discussion the members are requested to present papers and discuss the papers in a common platform. The trainees are allowed to read their respective papers and this is followed by a thorough critical discussion. While preparing the paper, the trainee has free access to files concerning the subject and compile the information.

After consulting the necessary files the trainees may discuss the ramifications and complexities of a particular job or work and suggest solutions for the probable problems the trainees are likely to encounter in near future.

(d) Roleplaying: The role-playing goes by a variety of names, such as psychodrama, role-reversal, social-drama, and soon. Role-playing involves the spontaneous acting out of a situation by two or more people under the specific direction of a trainer. The notable characteristic of role-playing is that dialogue usually ensues and the trainees are enthusiastic, playing out their roles.

In role-playing, trainees act out a given role as they would be performing in a stage play. The role players are informed only about the situation and of the role they are expected to play. Role-playing primarily involves hiring, firing, discussions about the grievance procedures employed, employer-employee relationships. The primary advantages of role-playing include

1. development of leadership skills and decision-making skills of the entire group.
2. trainees learn the importance of participation in bringing about the acceptance of resource allocation decisions.
3. human interaction and sensitivity are emphasized in role-playing and
4. it brings desired changes in employee attitudes and behaviour. However, role-playing can be very time consuming and without competent leadership, it could be a waste of time.

(e) Case studies: Another sophisticated off-the-job- training is through case studies. The case study is based on the firm belief that managerial competence can best be attained through the study contemplation and discussion of concrete cases. The trainees are given the cases and are asked to identify the basic problem and suggest solutions. The case study is primarily useful for supervisory personnel and serves as a useful technique for developing decision-making and problem-analysing skills to the middle managers.

(f) Programmed instruction: Programmed instruction involves breaking, information into meaningful units and rearranging them in a proper sequence to form a learning package. Programmed learning consists of three functions:

1. presenting questions, facts or problems to the learner.
2. allowing the trainee to respond and
3. providing the necessary feedback on the accuracy of his answers. Programmed instruction makes use of books or manuals but normally it is supported by electronic teaching machines, computer systems. In practice, the trainee reads a particular set of

materials and then responds to questions usually multiple-choice questions or true-false type questions. If the answer is correct the trainee proceeds to answer the next question. However, if the answer is incorrect the trainee is furnished additional information and is required to respond to questions on that material. This procedure is repeated until the trainee has answered correctly.

Programmed instruction method is appreciated because it incorporates several learning techniques including movement from simple to complex material and provision of feedback. Research reveals that programmed instruction is one of the more effective methods for building knowledge and retention of that knowledge.

(g) T-group training: Also frequently known as sensitivity training T-group training is a process in which several individuals work together for several days for the purpose of building self-awareness, understanding of group processes and a greater understanding of interpersonal relationships. The trainees are encouraged to portray their feelings, abilities and needs in building interpersonal relationships.

The basic purpose of sensitivity training to increase the participant's insight into his own behaviour and the behaviour of others by encouraging an open expression of feelings in the trainer-guided T group laboratory.

##### 5. Answer:

1. Employment 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:

(a) Intelligence Tests: This is one of the important 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 judgements.

(b) Aptitude Test: It is a measure of individuals 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.

(c) Personality Tests: Personality tests provide clues to a person's emotions, his reactions, maturity and value system etc. These tests provide an overall personality. Hence these are difficult to design and implement.

(d) Trade Test: These tests 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 later the actual skills possessed.

2. Evolution of HRM: Human Resource Management has replaced the traditional concept of labour welfare and personnel management. HRM in its – present form has evolved from a number of significant inter-related developments, which date back to the era of industrial revolution emergence of trade union movement lead to the need of a person who could act as an effective line between the owners and workers.

Thus the concept of labour welfare officer came into the being.

His role was limited to the bare minimum welfare activities of employees. In fact, he was looked down by both the workers and the owners.

With the introduction of the factory system, thousands of persons began to be employed under one roof. The job of hiring people for the organisation was given to one man, who later on was assigned the responsibility of recruitment, selection and placement of personnel.

This led to the emergence of a personnel officer in the first place and personnel manager, later on.

Human relations approach recognizes the human factor as the most important instrument of success in the organisation. Fast-changing technological developments, how our, necessitated new skills development and training of employees. People came to be recognized as a valuable resource, which can be further developed. Increase in the scope of the work led to the replacement of personnel manager to the human resource manager. Hence HRM came to mainstream activity due to the failure of the earlier concepts to promote the potential benefit of effective management of the people.

6. Answer:

Importance of staffing:

Human resources are the foundation of any business. The right people can help you take your business to the top: the wrong people can break your business. Hence staffing function has assured greater " importance their days because of the rapid advancement of technology, increasing the size of the organization and complicated behaviour of human beings. Human resources are the most important asset of an organisation.

The ability of an organisation to achieve its goals depends upon the quality of its human resources. Therefore, staffing is a very important managerial function. No organisation can be successful unless it can fill and keep filled the various positions provided for in the structure with the right kind of people.

Proper staffing ensures the following benefits to the organisation:

1. helps in discovering and obtaining competent personnel for various jobs;
2. makes for higher performance, by putting the right person on the right job;
3. ensures the continued survival and growth of the enterprise through the succession planning for managers;
4. helps to ensure optimum utilization of human resources.

By avoiding overmanning, it prevents updo utilisation of personnel and high labour costs. At the same time, it avoids disruption of work by indicating in advance the shortage of personnel; and improves job satisfaction and morale of employees through objective assessment and fair rewarding of their contribution. Staffing function must be performed efficiently by all organisation. If the right kind of employees is not available, it will lead to wastages of materials, time, efforts, resulting in lower productivity and poor quality of

products.

The enterprise will not be able to sell its products profitably. It is therefore essential that the right kind of people must be available in the right number at the right time. They should be given adequate training so that wastage is minimum: They must also be induced to show higher productivity and quality by offering them proper incentives.

**Staffing and Human Resource Management (HRM):** The affiances and effectiveness of an organization in achieving its goals are determined to a great extent on the competence, motivation and general effectiveness of its human resources. Managing the human component or an organisation is the most important task because the performance of the organization depends upon how well this function " is performed. Human resource management is that part of management process which develops and managers the human element of the enterprise considering their resourcefulness in terms of total knowledge, skills, creative abilities, talents, aptitudes and potential for effectively contributing to the organizational objectives.

Human Resources Management is concerned with all aspects of managing the human resources of an organization. More specifically, human resource management involves determining the organization's need of human resources, recruiting and selecting the best available employees, developing counselling and rewarding employees, acting as a liaison with unions and government organizations and handling matters related to the well being of employees. Each of these functions is necessary to some degree irrespective of type and size of the organization.

**Case Study Answer-**

**1. Answer:**

The various sources of recruitment used by 'Newgrange' to recruit its employees are:

- **Transfer:** It implies shifting an employee from one job to another. Generally, transfer does not involve any change in the responsibilities, ranks, rate of compensation or prestige of employees. For example, Rohan, working in Department A as a computer operator, is transferred to Department B on the same post in the office.
- **Placement agencies and Management Consultants:** The major difference between the public and private employment agencies is of their image. The private agencies are believed to offer positions and applicants of a higher type. Placement agencies provide a nationwide service in matching personnel demand and supply. These services compile bio data of a large number of candidates and recommend suitable names to their clients. They also charge fee for their services.
- **Direct recruitment:** A notice is placed on the notice board of the enterprise specifying the details of the jobs available. It is followed usually for casual vacancies of unskilled or semi-skilled jobs. Job seekers assemble outside the premises of the organization on the specified date and selection is done on the spot.

- Recommendation of employees: Friends, relatives of current employees are also a good source from which employees may be drawn. Such a recommendation reflects on the recommender and when someone's reputation is at stake, we can expect the recommendation to be based on reliable beliefs. Employee's reference tends to be more acceptable.
- Campus recruitment: Recruitment from educational institutions is a well-established practice of businesses. Many big organisations maintain a close liaison with the universities, vocational schools and management institutes to recruit qualified personnel for various jobs.

2. Answer:

- a. The process of staffing that the company should follow is as follows.
  - Identify and estimate the number and the kind of personnel required for the set up.
  - Look for suitable candidates to fill the job vacancies and persuade them to apply for the same.
  - Choose the right candidate through a rigorous selection process.
  - Make the selected employees comfortable and familiar with the working environment.
  - Train the employees as per the requirements of the job.
  - Assess the performance of the employees against the predetermined standards and provide feedback.
  - Place the employees who are doing well at higher level in the hierarchy and position.
  - Provide suitable compensation to the employees.
- b. The company should rely upon external sources of recruitment. As the company is setting up a new plant in a new region, candidates from the local area would be more suitable as they would be familiar with the working conditions, problems faced, etc. in the local region. This would be in favor of the organisation.
- c. The following selection process would be used.
  - As a first step screen the candidates and eliminate those who do not fulfil the basic criteria and qualifications as per the job requirements.
  - Judge the candidate on different criteria such as aptitude test, intelligence test and personality test.
  - Conduct a personal interview involving a direct conversation between the manager and the candidate which would further help in judging the overall suitability of the employee according to the job requirement.
  - Conduct a background check of the candidate taking references from person

known to the candidate, previous employers, etc.

- If the candidate is found suitable provide a job offer confirming that he/she has been selected.
- Finally provide an employment contract mentioning the terms and conditions of the employment.
- In order to have a highly trained and motivated work force, the company must initiate the following methods of training and development.
  - Apprenticeship Programmers: The trainees are put under master workers who guide them in acquiring the level of skills required for their jobs. These trainees or apprentices work under the trainers for a pre-defined amount of time. In the initial period, they observe the master worker performing a task and then gradually do the task themselves under the supervision of the master worker.
  - Coaching: In this method, the trainees are put under the guidance of a coach or a counsellor, and they work towards achieving the goals that are set on the basis of a mutual understanding. Typically, coaching aims at training the employee such that he or she can reach a higher position at work.
  - Internship training: Educational institutions enter into collaborations with business corporations, and some students are selected to work as interns with the corporations for a specific period.
  - Vestibule training: Dummy models of real working environment are created in classrooms outside the workplace. The trainees are made to work on the dummy machines and equipment, and only when they acquire adequate expertise in their use are they shifted to the actual workplace.

### Assertion Reason Answer-

1. b. Assertion and reason both are correct statements but reason is not correct explanation for assertion.
2. a. Assertion and reason both are correct statements and reason is correct explanation for assertion.