

**CBSE Class 12 Business Studies**  
**Revision Notes**  
**CHAPTER – 6**  
**STAFFING**

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### **Meaning**

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

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

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

### **PROCESS OF STAFFING**



- 1. Estimating Manpower Requirement:** It involves the following:
  - (a) Making inventory of current human resources in terms of qualification, training & skills.
  - (b) Assessing future human resource needs of all departments.
  - (c) Developing a programme to provide the human resources. Job Analysis is an intensive way of finding details related to all jobs.

**2. Recruitment:** It refers to identification of the sources of manpower availability and making efforts to secure applicants for the various job positions in an organization.

**3. Selection:** It is the process of choosing and appointing the right candidates for various jobs in an organization through various exams, tests & interviews.

**4. Placement and Orientation:** When a new employee reports for duty, he is to be placed on the job for which he is best suited. Placement is very important process as it can ensure “Right person for right job”. Orientation/Induction is concerned with the process of introducing a new employee to the organization. The new employees are familiarized with their units, supervisors and fellow employees. They are also to be informed about working hours, procedure for availing leave, medical facilities, history and geography of organization and rules/regulations relating to their wages etc.

**5. Training and Development:** Systematic training helps in increasing the skills and knowledge of employees in doing their jobs through various methods. Development involves growth of an employee in all respects. It is the process by which the employees acquire skills and competence to do their present jobs and increase their capabilities for higher jobs in future.

**6. Performance Appraisal:** It is concerned with rating or evaluating the performance of employees. Transfers and promotions of the staff are based on performance appraisal.

## **RECRUITMENT**

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

### **Sources of Recruitment**

**(A) Internal Sources**

**(B) External Sources**

#### **(A) Internal Sources of Recruitment**

Internal sources refer to inviting candidates from within the organization. Following are important sources of internal recruitment:

**1. Transfers:** It involves the shifting of an employee from one job to another, from one department to another or from one shift to another shift.

**2. Promotions:** It refers to shifting an employee to a higher position carrying higher responsibilities, prestige, facilities and pay.

**3. Lay-Off:** To recall the temporary worker for work is called Lay-Off, who were temporarily separated from organization due to lack of work.

**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.

**Limitation of Internal Sources**

- (1) The scope for induction of fresh talent is reduced.
- (2) The employee may become lethargic.
- (3) The spirit of competition among the employees may be hampered.
- (4) Frequent transfers of employees may often reduce the productivity of the organization.

**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.

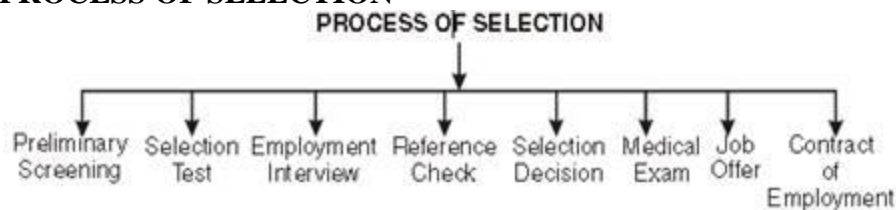
**2. Costly process:** A lot of money has to be spent on advertisement therefore this is costly process.

**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.

## **PROCESS OF SELECTION**



The successive stages in selection process are:

**1. Preliminary Screening:** After applications have been received, they are properly checked as regarding qualification etc. by screening committee. A list of candidates to be called for employment tests made and unsuitable candidates are rejected altogether.

**2. Selection Tests:** These tests include:

(a) Psychological tests which are based on assumption that human behaviour at work can be predicted by giving various tests like aptitude, personality test etc.

(b) Employment test for judging the applicant's suitability for the job.

**3. Employment Interviews:** The main purpose of interview is:

(a) to find out suitability of the candidates.

(b) to seek more information about the candidate.

(c) to give the candidate an accurate picture of job with details of terms and conditions.

**4. Reference Checks:** Prior to final selection, the prospective employer makes an investigation of the references supplied by the applicant. He undertakes a thorough search into candidates family background, past employment, education, police records etc.

**5. Selection Decisions:** A list of candidate who clear the employment tests, interviews and reference checks is prepared and then the selected candidates are listed in order of merit.

**6. Medical/Physical Examination:** A qualified medical expert appointed by organization should 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 a candidate has cleared all hurdles in the selection procedure, he is formally appointed by issuing him an Appointment Letter. The broad terms and conditions, pay scale are integral part of 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.

Nishant wants to set a unit in rural area where people have very few job opportunities and labour is available at a low cost.

For this he wants four different heads for Sales, Accounts, Purchase and Production. He gives an advertisement and shortlists some candidates after conducting selection tests.

1. Identify and state the next three steps for choosing best candidates.

2. Also identify two values which Nishant wants to communicate.

**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 firm: 1. Avoids wastage of time, effort and money involved in the hit and trial method. 2. ↑ productivity(quality + quantity)thereby leading to ↑ profits 3. Equips future managers(to take over in emergencies) 4. ↑ employee morale,↓ absenteeism and turnover 5. response to fast changing environment 6. ↓ supervision, standardization of procedure and safety of operations	Benefits to the employee: 1. Improved skills an knowledge so better career opportunities 2. Better performance→ higher earnings 3. Less accidents 4. ↑ satisfaction and morale of employees
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## Training Methods

**(A) On the Job Method:** It refers to the methods that are applied at the work place, where the employee is actually working. It means learning while doing.

The following are the methods of On-the job training:

**1. Apprenticeship Training:** Under this, the trainee is placed under supervision of an experienced person (master worker) who imparts him necessary skills and regulates his performance. The trainee is given stipend while learning so that he/she can enjoy “earn while you learn” scheme.

**2. Internship Training:** Under this method an educational institute enters into agreement with industrial enterprises for providing practical knowledge to its students by sending them to business organizations for gaining practical experience.

**3. Induction training** is a type of training given to help a new employee in settling down quickly into the job by becoming familiar with the people, the surroundings, the job and the business. The duration of such type of training may be from a few hours to a few days. The induction provides a good opportunity to socialize and brief the newcomer with the company’s overall strategy, performance standards etc. If carefully done, it saves time and cost (in terms of effectiveness or efficiency etc.)

### **Training and Development**

Training is concerned with imparting technical knowledge in doing a particular job. But development is a wider process concerned with growth of an individual in all respects. However, both are related processes; training helps the employees in learning job skills whereas development shapes attitude of the employees.

### **Comparison of Training and Development**

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