



319en12

# 12

## STAFFING

### MODULE - 5

#### Functions of Management



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In a small business unit, like a grocery shop, the owner may not need others to help him in running the shop, as he may himself be able to look after all the activities. But as the business grows in size he may find it difficult to manage all the activities alone and may have to find out suitable persons and employ them. It is quite possible that you may start your own business and face such a situation and employ people to assist you in running the business. Alternatively, you yourself may be a job seeker. In both the situations, you may find it useful if you know how employees are recruited, selected and trained for the various positions in an organisation. In this lesson, you will learn in detail about the staffing function including the sources of recruitment, the process of selecting the employees with the importance of training and development and the various methods of their training.



### OBJECTIVES

*After studying this lesson, you will be able to:*

- explain the meaning and importance of staffing;
- identify the steps involved in the process of staffing;
- describe staffing as a part of Human Resource Management;
- state the meaning of recruitment;
- explain the process of selecting employees;
- explain the meaning & importance of training and development;
- describe various methods of training and
- outline the methods of performance appraisal, compensation, promotion and transfer.

**MODULE - 5****Staffing***Functions of  
Management***Notes****12.1 MEANING OF STAFFING**

Staffing refers to the managerial function of employing and developing human resources for carrying out the various managerial and non-managerial activities in an organisation. This involves determining the manpower requirement, and the methods of recruiting, selecting, training and developing the people for various positions created in the organisation. This, in fact happens to be a continuous process because the organisation's need to retain and update its personnel is a never ending exercise. The managers have to keep a regular watch on the number and composition of the personnel needed by the organisation, because the requirement of manpower keeps on changing and expanding with the expansion of activities and additions of new departments and work units. Not only that, at any point of time, some people will be leaving, retiring, getting promotion or transferred. The vacancies thus created have to be filled up.

It may be noted that staffing function is an integral part of human resource management and, in its wider sense, also includes the activities of determining the remuneration of workers, appraising their performance, and deciding on their promotion, transfers, etc.

**12.2 IMPORTANCE OF STAFFING**

All of us know that it is the people in every organisation who run the show successfully. For example, if you do not have good salesman you cannot sell well even if your product is good. Similarly, you may have the best quality raw materials, machines etc. but the quality of the product is not assured unless, you have good workers engaged in the production process. Staffing thus, as a function, is very important as it is through this process that we get right persons for the organisation and ensure that they stick to the organisation. The benefits of good staffing are as follows.

- (a) It helps in getting right people for the right job at the right time. The function of staffing enables the manager to find out as to how many workers are required and with what qualifications and experience.
- (b) Staffing contributes to improved organisational productivity. Through proper selection the organisation gets quality workers, and through proper training the performances level of the workers can be improved.
- (c) It helps in providing job satisfaction to the employees keeping their morale high. With proper training and development programmes their efficiency improves and they feel assured of their career advancements.
- (d) Staffing maintains harmony in the organisation. Through proper staffing, individuals are not just recruited and selected but their performance is regularly appraised and promotions made on merit. For all these, certain rules are made and are duly communicated to all concerned. This fosters harmony and peace in the organisation.

**Staffing as a Part of Human Resource Management**

Human Resource Management (HRM) is a broad concept, whereas staffing is a part of it. HRM is the art of procuring, developing and maintaining suitable persons to achieve the goals of an organisation in an effective way. It is the way of optimising human competence at the workplace so that the goals of an organisation are accomplished effectively.

Human Resource Management is that part of management process which develops and manages the human element of the enterprise considering their knowledge, skills, creative abilities, talents and potential for contributing to the organisational objectives. HRM is a broader concept.

Human Resource Management includes human resource planning, recruitment, selection, placement and training of workers, performance appraisal, motivation of work force, remuneration of workers, welfare of employees etc. So staffing is a part of human resource management.

**12.3 PROCESS OF STAFFING**

The process of staffing starts with ascertaining the required number of various categories of employees for the organisation. This is known as manpower planning. It decides the kinds of staff and the number of staff required for the organisation. This is done through several methods like job analysis, workload analysis, etc. The next thing to be done in the staffing process is the recruitment exercise, i.e., finding out the available manpower from internal and external sources. The next step is to select the right person from the available manpower through tests and interviews and make appointments. This is followed by their placement on the jobs and necessary introduction of the work environment and the rules of compensation, promotion, transfer etc. Thus, the various steps involved in the process of staffing are as follows.

- |                              |                            |
|------------------------------|----------------------------|
| (a) Manpower Planning        | (b) Job Analysis           |
| (c) Recruitment              | (d) Selection              |
| (e) Placement                | (f) Induction              |
| (g) Training and Development | (h) Performance Appraisal  |
| (i) Compensation             | (j) Promotion and Transfer |

Let us now discuss these aspects briefly to gain more clarity.

**12.3.1 Manpower Planning**

Manpower planning refers to the process of estimating the manpower requirement of an organisation. While estimating the manpower requirement, the management generally

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keeps in mind the available infrastructure including the technology, production schedule, market fluctuation, demand forecasts, government's policies and so on. It tentatively decides the kinds of staff as well as the number of staff needed for the organisation. The focus of the manpower planning is to get right number of qualified people at the right time.

### 12.3.2 Job Analysis

In the context of recruitment, one must be conversant with another important aspect of manpower planning viz, job analysis, which is a pre-requisite for any recruitment exercise. The job analysis helps in determining the qualifications, skills and experience required for various categories of employees. It involves:

- (i) identification of each job in terms of duties and responsibilities, (called job description) and
- (ii) determining the abilities and skills that are required for performing the job (called job specification).

These two aspects of job analysis (job description and job specification) are useful in recruitment and selection of employees so as to find the right person for the job.



### INTEXT QUESTIONS 12.1

1. Write true/false against each of the following:
  - (a) Staffing is just determining the number of people required in the organisation.
  - (b) Determining the size and categories of personnel required is called human resource planning.
  - (c) Staffing is a one-time process as people have to be appointed only once.
  - (d) Staffing includes human resources management.
  - (e) The management function which helps in getting the right persons for the organisation and ensuring that they stick to the organisation is called staffing.
2. Match the following:
 

(a) Job analysis	(i) Determining the size and categories of personnel required
(b) Job description	(ii) Determining the qualifications, skills and experience of the employees required for various categories of employees.
(c) Job Specification	(iii) Determining the abilities and skills required for performing the job.
(d) Human resource	(iv) Identification of the job in terms of duties and planning responsibilities.

### 12.3.3 Recruitment

Suppose you want to open a restaurant. After planning and organising you are aware of the various job positions that are required to be filled up. Let us say, you have assessed your requirement for a general manager, a chef, an accountant, and many other staff for home delivery of foods. Possibly, you have a list of persons interested to join your restaurant. For example, your uncle has promised you to provide an experienced general manager. The manager of the bank from where you have taken loan has referred an accountant to you. One of the chief cooks of a reputed hotel has already approached/talked to you to join your restaurant as a chef. In addition to all these, you know that there is an office that can provide you people of your requirement by charging a fee, whenever you ask for it. You also know that an advertisement in the newspaper can help you in getting applications from many people. While engaging yourself into all these activities you are basically trying to make a pool of suitable/interested applicants for the job. In other words you are recruiting the staff for your business.

The term recruitment is often used to signify employment. It is true that normally when we say we have recruited such and such persons, it signifies that we have employed them. But as a part of staffing function, the term recruitment has limited scope. It just refers to one of the initial steps in employment of people i.e., searching for suitable candidates for the various job positions to be filled up from time to time in the organisation. Thus, **recruitment is the process of finding and attracting suitable applicants for employment.**

### Sources of Recruitment

Having determined the qualification and experience required for various jobs involved, one has to search for the suitable persons and receive their applications. For this purpose one has to have an idea as to where such persons are available. In other words, one must be aware of the sources of recruitment before publicising the specific staffing needs and induce the suitable persons to apply for the job positions involved. These sources can be internal and external.

**(A) Internal Sources :** In any business, existing employees expect that they will have chances of promotion and will be considered for higher positions before outsiders are considered. Managers, therefore may promote and transfer some of the existing employees to fill the vacant positions. The advantage of internal recruitment is that it is easier for managers to fill vacancies as they are conversant with the abilities and skills of their subordinates and have records of their performances. Employees also feel happy as their work performance is recognised by management through promotion. However, there is one major drawback of recruitment through internal sources i.e., the organisation is deprived of the benefit of inducting fresh blood into its system.



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**(B) External Sources :** All vacancies cannot be filled up from within the organisation. Existing employees may lack the required skill, initiative and qualification needed for the jobs involved. Hence managers have to recruit some persons from outside the organisation. Not only that the external recruitment provides a wide choice from among a large number of external candidates from which employees may be recruited. The workers and office employees at the lower level are often recruited from outside the organisation. The various external sources of recruitment are as follows :

- (a) Media Advertisements :** You must have seen advertisements in newspapers about vacancies in organisations. The advertisement contains details about the job, its nature, the qualification required to do the job, how to apply, etc. This is a very popular medium of advertising. The job advertisements are also given in magazines, specialised employment magazines like Employment News, Rozgar Samachar, etc. Now-a-days we also commonly find such advertisements in various electronic media like television and Internet. Such advertisements normally get a very good response from the prospective candidates.
- (b) Employment Exchanges :** In India, employment exchanges have been set up by the government for bringing together job-seekers and employers who are looking for employees. Those who are in search of employment get themselves registered with the local Employment Exchanges which keep a record of all such persons in detail who require help in finding jobs. The employer informs about the vacancies to the nearest Employment Exchange. The Employment Exchange, in turn, identifies the names of the qualified employment seekers already registered with it, and forwards them to the employer for consideration. Thus, if you are seeking a job after passing the senior secondary examination, it would be better if you get yourself registered with an Employment Exchange. It may forward your name to the prospective employers keeping in view the suitability of the job as per your qualifications.
- (c) Educational Institutions :** Now-a-days, companies/big organisations maintain a close liaison with the universities, vocational institutes and management institute for recruitment of their staff. As and when the need arises, the companies send one or more of their senior executives to the institutions of repute imparting such professional/technical education to students. These executives take the interview of the interested candidates and select the suitable candidates as per their requirement. This process is popularly known as campus interview and is found to be an effective source of recruitment of managers, engineers, technicians etc. for many companies on a regular basis.

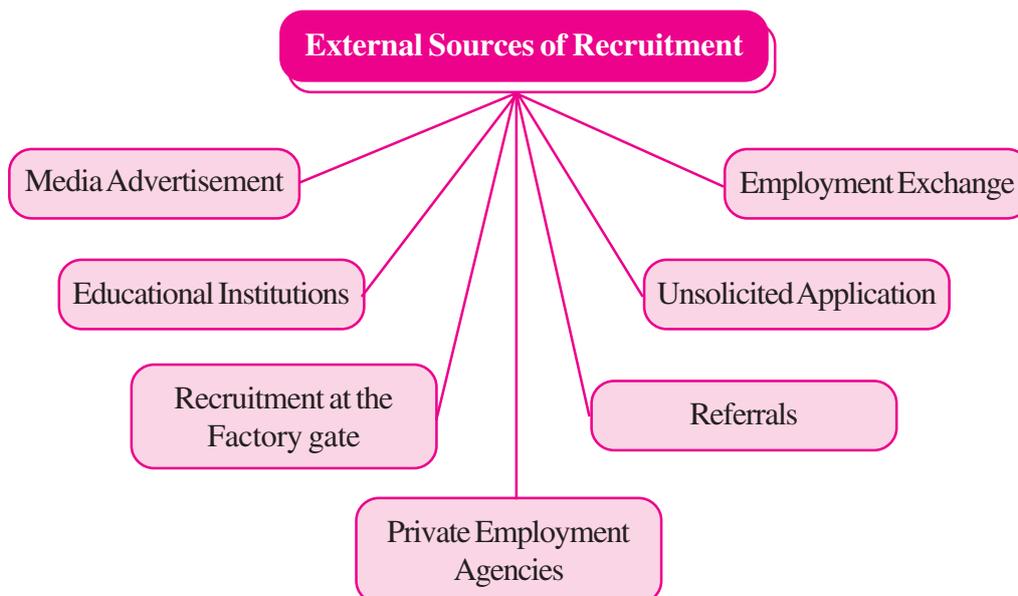


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- (d) **Unsolicited Application :** Those looking for jobs often apply on their own initiative. They assume that certain vacancies are likely to arise, and apply without references to any job advertisement. Managers keep a record of such applications and contact the suitable candidates when they need them.
- (e) **Recruitment at the Factory gate :** This is found mainly in case of factory workers to be recruited on daily wages. Such workers gather in the morning at the factory gate to serve as casual workers. Very often existing regular employees go on leave, and their vacancies are filled up by recruitment at the factory gate. These casual workers having served in the factory for some time may be considered for regular employment at some stage.
- (f) **Referrals :** Quite often the management gets references about interested workers from different sources like workers unions, previous employees, existing employees, clients of the organisation etc. These sources are important because their recommendations are made by people who are associated with the organisation and are fully conversant with its requirements.

Sometimes we also receive recommendations from our friends and relatives to employ persons known to them. But one should be very much cautious while considering such recommendations.

- (g) **Private Employment Agencies :** In urban areas, a number of private organisations have started functioning as employment agencies. These agencies register with them the names of the individuals who are seeking employment and try to arrange job interviews for such candidates. Companies often get in touch with such agencies to provide them the details of suitable candidates for various jobs.



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1. Which one of the following is an internal source of recruitment?
  - (a) Media advertising
  - (b) Promotion
  - (c) Campus interview
  - (d) Reference
  
2. 'Reference' in recruitment refers to:
  - (a) Using influence to get the job.
  - (b) Referring to the newspaper to find a vacancy.
  - (c) Recommendations from different sources.
  - (d) Asking for an inter-departmental transfer of an employee.
  
3. Identify the method of recruitment in which the companies recruit candidates directly from professional or technical institutions.
  - (a) Employment exchanges
  - (b) Factory gate.
  - (c) Media advertising.
  - (d) Campus interview

**12.3.4 Selection**

When an adequate number of applications/names of interested candidates have been collected through the recruitment exercises, the selection process starts. Selection refers to the process of choosing the most suitable person from among the list of interested candidates. It involves going through the qualification and experience of all candidates and matching them with the expectation for the job so as to decide on the most suitable ones for the job. The entire process goes through a number of steps which may be called as selection procedure.

**Selection Procedure**

As stated above, the selection procedure consists of a number of steps in logical order to identify the candidates who are to be finally appointed. These steps are :

- |                                |                         |
|--------------------------------|-------------------------|
| (a) Screening the applications | (b) Holding tests       |
| (c) Selection interview        | (d) Checking references |

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- (e) Medical examination of the candidates
- (f) Issue of appointment letter

Let us discuss all the steps in brief.

**(a) Screening the Applications :** After receiving the applications from the candidates through recruitment process, the same must be examined to decide which ones deserve to be considered and followed up. Normally, the candidates are asked to apply in their own handwriting on a plain paper. Sometimes the job advertisement mentions the particulars to be given in the application. In many cases the candidates are required to apply in the prescribed form of the company, containing particulars of name, address, nationality, religion, mother tongue, date and place of birth, marital status, education and training, employment history, references etc. Screening exercise involves checking the contents of the applications so as to ascertain whether or not the minimum eligibility conditions in respect of age, experience, qualifications and skills are fulfilled by the candidates who have applied for the job. Screening is usually done by a senior officer of the company or by a screening committee. The purpose of screening is to prepare a list of eligible candidates who are to be evaluated further. Candidates not eligible are thereby excluded from further consideration.

**(b) Holding Tests :** After screening the applications, eligible candidates are asked to appear for selection tests. These tests are made to discover and measure the skill and abilities of the candidates in terms of the requirements of the job. For instance, if the job of a typist requires a minimum typing speed of 40 words per minute, a test is given to see whether the candidates applying for the job have the required typing speed. Passing the test by a candidate does not mean that he will be employed. It implies that all those who have passed the test are qualified for further processing and those who have failed are not to be considered.

The nature of test depends upon the nature of the job involved. For clerical jobs, for examples, an intelligence and aptitude test may be arranged which may include test of general knowledge, test on quantitative problems, and test of reasoning power and vocabulary. For industrial workers and technical hands, performance tests may be organised. For example, to judge the speed and accuracy of typing, candidates may be given a standard paragraph to type. Similarly, candidates for an auto mechanic job may be asked to replace a piston. This is known as Skill or Trade test. For supervisory and managerial jobs, tests are given to find out the candidate's personality, decision-making abilities, etc.

**(c) Selection Interview :** Interview is the most important part of the selection procedure. It serves as a means of checking the information given in the application form and making an overall assessment of the candidate's suitability for the job. In

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an interview, the candidate has a face-to-face interaction with the employer or representatives of the employer, where they try to judge the ability of the candidates. They also get an opportunity to go into the details of the candidate's background which helps a lot in assessing the candidates suitability.

- (d) **Checking of References :** In addition to the requisite educational qualification, skill and experience, it is expected that the candidates who are to be considered for employment must have other qualities like balanced temperament, honesty, loyalty, etc. These qualities cannot be judged on the basis of any test. Therefore, information is obtained and verified from the heads of educational institutions where the candidates have studied, or from the persons whose names are given by the candidates as referee, or from their previous employers. For certain jobs, like the job of a cashier or a security guard, reliability is very important job requirement. Therefore, references are required to be contacted to ensure that persons can be relied upon. In case of experienced employees their previous employers can also be contacted for this purpose.
- (e) **Medical Examination :** Candidates finally selected for the job are asked to undergo medical examination to see whether the selected candidates are physically fit for the job. A proper medical examination ensures higher standard of health of the employees and their physical fitness which, in turn, reduces the labour turnover, absenteeism and accidents.
- The medical examination would also reveal whether he/she suffers from any illness which can be cured e.g., poor eyesight etc. Medical test is essential for certain types of jobs as in the case of police and army, where physical fitness is very important. For certain categories of jobs like the job of driver, proper eyesight is very much essential.
- (f) **Issue of Appointment Letter :** Candidates finally selected are offered to join the organisation for which a formal appointment letter is issued containing the nature of job, the remuneration, pay scale, and other terms and conditions relating to employment. Usually a reasonable time is given to the candidates to join the organisation.

*Probation period: In most of the organisations the candidates are not initially appointed on permanent basis because it is considered better to try them for a few months on the job itself. This period of service is known as the period of probation. It is necessary because no procedure of selection can fully establish the qualities of a selected candidate. It is only by observing a person at work that one can find out how he performs and also how he behaves with his superior and fellow employees. If during the probation period, his performances not found satisfactory, his period of probation may be extended. The management may also transfer him to some other job at which he may be expected to do better.*

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Though a number of steps in the selection procedure have been listed, all the steps need not be followed in all cases. For example, for employing casual workers on daily wages, simply an interview by a company's officer is sufficient. Whereas for the job of a typist or clerk, screening of applications, holding tests and interview will be essential. Similarly, for the job of a cashier, checking of references may also be needed.

### *Difference between Selection and Recruitment*

*We have noted recruitment and selection are the two essential components of the staffing process. While the recruitment helps in attracting suitable candidates, selection helps in finding out the candidates who meet the requirements of the job. These are closely inter-connected activities. However, recruitment and selection differ in certain respects. While the recruitment refers to the process of attracting good applicants for jobs, selection identifies the most suitable amongst the applicants. In the recruitment process, the effort is to attract the candidates as many as possible and it is regarded as a positive process. But, selection is a negative process as it involves rejection of many candidates. Recruitment involves decisions as regard to the sources of potential candidates. Selection is made through different steps in the procedure adopted. Recruitment helps the manager to attract good candidates, the selection leads to making the right choice.*

### **12.3.5 Placement**

If the selected candidate decides to join the organisation, he/she has to report to the concerned authority and formally joins the organisation by giving his consent in writing. Then he/she is placed to perform specific job. Thus, placement refers to selected candidate's joining the positions in the organisation for which they have been selected. The appointment of every candidate is followed by a record of particulars of employment. Such records is properly maintained and described as employment record. It serves a useful purpose on many occasions like selection of employees for training, promotion, increments etc.

### **12.3.6 Induction**

Induction is the process of introducing new employees to the organisation. The new employees should know under whom and with whom he/she is to work, get acquainted and adjusted to the work environment, get a general idea about the rules and regulations, working conditions etc. Usually the immediate supervisor of the new employee introduces him to his work environment. A proper induction programme is likely to reduce his anxiety on how to cope with the work and how to become part of the organisation and helps in development of a favourable attitude towards the organisation and the job.

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1. Identify the following:
  - (a) The process of choosing the most suitable person from among a list of interested candidates.
  - (b) Letter issued to the selected candidate.
  - (c) Tests organised for industrial/technical workers.
  - (d) Face to face interaction of the candidate with the employer or his representatives.
  - (e) The examination which the candidates finally selected for the job are asked to undergo.
  - (f) The period of service for which the candidates are not appointed on a permanent basis but tried for a few months on the job.
  - (g) The process of familiarising the new employees with the new job.
2. Fill in the blanks with the words 'selection' or 'recruitment'.
  - (a) \_\_\_\_\_ is the process of attracting applicants for the job while \_\_\_\_\_ starts only after applications have been received.
  - (b) \_\_\_\_\_ is a negative process while \_\_\_\_\_ is a positive process.
  - (c) \_\_\_\_\_ helps the managers to attract good candidates while \_\_\_\_\_ requires making the right choice.
  - (d) \_\_\_\_\_ is made through different steps in the procedure adopted.

***12.3.7 Training and Development***

Helping the employees to improve their knowledge and skill so as to be able to perform their tasks more efficiently is known as training. It is an organised activity for increasing the knowledge and skills of people for a specific purpose. The term 'development' refers to the process of not only building up the skill and abilities for specific purpose but also the overall competence of employees to undertake more difficult and challenging tasks. It is generally used with reference to the training of managers and executives.

**Training and Development**

Training is an act of increasing the knowledge and technical skills of an employee for doing a particular job efficiently.

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Development refers to the learning opportunities designed to help employees to grow. It involves growth an individual in all areas. Development help workforce to improve technical skills, problem solving skills and decision making skills.

Training is necessary for new employees as well as the existing employees for improving their performance at work. For new employees, training is necessary to help them get acquainted with the method of operation and skill requirement of the job. For existing employees, training at periodical intervals is helpful for learning better ways of doing the work, and also as and when they have to undertake new jobs. Thus, training helps employees to improve their knowledge and skill and make them perform their tasks more efficiently. It also helps them in promotion and improves their attitudes and confidence levels.

### Importance of Training and Development

#### *Benefits of training for organisations*

1. Less wastage, as a trained worker takes less time in learning and doing a job.
2. Better employee performance leading to higher profits.
3. Better utilisation of men, machines and materials.
4. Develop positive attitude in the mind of workers and motivate work force to take new ventures.
5. Reduce labour turnover and absenteeism.
6. Trained worker will adopt fast to the environmental changes compared to untrained worker.

#### *Benefits of Training to the Employee*

1. Improved skills acquired from training bring better career options for workers.
2. Better performance by the worker help him to earn more.
3. Trained worker will have better awareness to handle problems and he will be capable to deal with complex type of work.
4. Training increases the moral of workforce.

### Methods of Training

There are different methods of giving training to the employees which can be divided into two broad categories.

- (1) On-the-Job methods, and
- (2) Off-the-Job methods.

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- On-the-Job methods :** In these methods, the employees learn about their jobs while doing the work duly assisted by their supervisors or seniors. These methods encourage self-learning through practice. Job instruction or coaching, and job rotation, learning while working as an assistant to a senior, understudy positions, temporary promotions are some of the common methods of on-the-job training.
- Off-the-Job methods :** These methods involve training employees away from the work place so that experts may conduct the training and employees are free from immediate pressure of completing the jobs at hand. Lectures with demonstration, conferences, case discussions, video shows and films are some of the common methods used as off-the-job training methods. Then, there is another off the job method of training called vestibule training. The vestibule training refers to the training in specially designed workshops in which an attempt is made to duplicate as closely as possible the actual conditions of the work place. In such workshops a large number of employees can be trained in a relatively short period of time.

### Difference between Training and Development

<i>Training</i>	<i>Development</i>
1. Training is concerned with teaching technical skills only.	1. Development is concerned in teaching technical, human and conceptual skill.
2. It is suitable for technical staff.	2. It is suitable for managerial staff.
3. It is a short term process.	3. It is a long term process.
4. It teaches technical skills and is meant for non-managerial personnel.	4. It teaches concepts & human skills and meant for managerial personnel.
5. Develop already possessed qualities.	5. Develop hidden qualities and talent of personnel.



### INTEXT QUESTIONS 12.4

- Identify the learning opportunity designed to improve skills and abilities of employees.
  - training
  - development
  - recruitment
  - selection
- Some learning opportunity in X Ltd. help in the growth of individuals in all respects. Identify it.
  - training
  - development
  - selection
  - recruitment

### 12.3.8 Performance Appraisal

In simple words, performance appraisal means judging the performance of employees. Specifically, it means judging the relative abilities of employees at work in a systematic manner. This enables managers to identify employees who are performing the assigned work satisfactorily, and those who are not able to do so, and why. To be fair, performance appraisal needs to be carried out using the same methods and keeping in view uniform standards of work. Generally it is the responsibility of supervisors to carry out performance appraisal of their subordinates, and report it to their own superiors. He may also have to identify the causes of the performance especially if it has fallen short of the expected performance.

The standard of performance or the expected level of performance of an employee on a job forms the basis of judging how well the employee has performed, and whether one employee is more efficient than the other in doing a similar job. The yardstick placed may be the desired quantity of output, the quality of work done, minimisation of wastage of materials caused in the process of work etc. The choice depends upon the type of job involved. However, where quantity or number of units produced or wastage of materials form the basis of appraisal, it is likely to be more accurate. On the other hand, quality of work done may be difficult to measure and hence performance appraisal may not be very accurate.

### 12.3.9 Compensation

Compensation is one of the most important factors influencing relations between management and the workers. No organisation can attract and retain qualified employees without offering them a fair compensation.

The term 'compensation' refers to a wide range of financial and non financial rewards to the employees for services rendered to the organisation. It includes wages, salaries, allowances and other benefits which an employer pays to his employees in consideration for their services. Compensation may be divided into two categories:

- (a) Base/primary compensation.
- (b) Supplementary compensation.

Base or primary compensation is a fixed amount paid every month to an employee. It includes wages, salary and allowances paid to an employee irrespective of his performance.

Supplementary compensation refers to the compensation paid to the employees to motivate them to work more efficiently. It is also known as incentive compensation. The incentives may be monetary or non-monetary. The monetary incentives include bonus, commission sales, or profit sharing plans. The non-monetary incentives, on the other hand, include cordial relations with the supervisor, assignment of challenging jobs, recognition etc. Such incentives help the employees to sustain interest in the job and motivates them to work hard. They also provide job satisfaction.



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**12.3.10 Promotion and Transfer**

When an employee is assigned a job involving greater responsibilities, more pay, higher status and prestige than his/her present job, it is known as promotion. Thus, promotion refers to the advancement of an employee to a higher level or position. The main purpose of promotion is to make fuller use of the abilities of a person and also increase his job satisfaction. The basis of promotion may be seniority in service or merit, that is, superior abilities of the employees, or it may be seniority and merit, that is, merits being the same, one who is senior, is considered for promotion. When the performance of an employee is not satisfactory and it cannot be improved, he may be assigned a job of lower rank carrying lower status and pay. This is known as 'demotion'.

Transfer refers to a type of job change where an employee is assigned a different job of the same rank and pay, or when an employee is assigned a similar job in another unit of the firm. Thus, transfer does not usually involve any increase in pay or a superior status. It may be done simply to enable the employee to gain wider experience, or to give him greater job satisfaction, or to balance the requirements of staff in different units.

**INTEXT QUESTIONS 12.5**

1. Rewrite the following sentences, if found incorrect.
  - (a) Training is necessary for only the new employees.
  - (b) Promotion makes an employee eligible for training.
  - (c) Off the job methods encourage self learning through practice.
  - (d) Training of employees away from the place of work is called 'on the job' training methods.
  - (e) Transfer refers to a type of job change with higher pay.

**WHAT YOU HAVE LEARNT**

Staffing refers to the managerial function of employing and developing human resources for carrying out the various activities in an organisation. It helps in getting right persons for various jobs in the organisation and ensures that they have job satisfaction and work in harmony for achievement of organisational goals. The staffing process involves the following steps.

- **Manpower Planning :** The process of estimating the manpower requirement of an organisation.

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- **Job Analysis :** The process of determining the qualifications, skills and experience required for various categories of employees.
- **Recruitment :** The process of finding and attracting suitable applicants for employment for various activities of the organisation using the internal as well as the external sources.
- **Selection :** The process of choosing the most suitable persons from among the list of interested candidates. This involves screening the applications, holding tests, interviews, checking references, conducting medical examinations and issuance of appointment letters.
- **Placement :** The process of making the selected candidates to join the specific job positions.
- **Induction :** The process of introducing the new employees to the work environment in the organisation and acquaint them with the rules and regulations, work conditions, etc.
- **Training and Development :** The process of improving the knowledge and skills of the employees to enable them to perform their jobs more efficiently. The methods used may be on the job and off the job.
- Human resource management is a broader concept staffing is one part of HRM. HRM includes staffing, training, development and motivation of workers.
- Training is concerned with teaching technical skill. Development is concerned with teaching human and conceptual skill.
- Less wastage, better employee performance, better utilisation of men, reduced labour turnover are the benefits of training from organisational point of view.
- Improved skills, better employee performance, increased capability, increased moral etc. are the benefits of training to workers.
- Performance Appraisal: Assessing the performance quality of the employees.
- **Compensation :** Determining the remuneration to be given to employees including incentives, if any.
- **Promotion :** Advancement of employees to higher level or position.
- **Transfer :** A type of job change where an employee is assigned a different job with same rank and pay.

## MODULE - 5

### *Functions of Management*



*Notes*

## MODULE - 5

## Staffing

### Functions of Management



Notes



### KEY TERMS

Compensation	Manpower planning	Promotion
Development	Off-the job training	Recruitment
Induction	On-the-job training	Selection
Job analysis	Performance appraisal	Training
Job description	Placement	Transfer
Job specification		



### TERMINAL EXERCISE

#### Very Short Answer Type Questions

1. What is meant by manpower planning?
2. Distinguish between job description and job specification.
3. List any four sources of external recruitment.
4. State the meaning of selection.
5. What is meant by Promotion?
6. Out of human resource management and staffing which one is wider?
7. Name the term used for equipping the workers with the required skill to perform the job.

#### Short Answer Type Questions

8. Explain the meaning of the term 'Staffing'.
9. Define the term 'Recruitment'.
10. State the various advantages of internal recruitment.
11. What is meant by 'Induction'?
12. State the importance of training.
13. State any two points of importance of training.
14. How training benefit the employees of an organisation.
15. What is meant by training?

## Staffing

16. What is meant by development?
17. 'Training is beneficial to the organisation'. Comment.

### Long Answer Type Questions

18. Describe the importance of staffing.
19. Explain the role of Employment Exchange as source of external recruitment.
20. Briefly describe the various steps involved in the selection process.
21. Distinguish between selection and recruitment.
22. What is meant by training? Explain the different methods of training.
23. Differentiate Training and Development.
24. Discuss the importance of training.



## ANSWERS TO INTEXT QUESTIONS

- 12.1** 1. (a) False. (b) True. (c) False.  
(d) False. (e) True.
2. (a) (ii); (b) (iv); (c) (iii); (d) (i).
- 12.2** 1. (b); 2 (c); 3 (d)
- 12.3** 1. (a) Selection; (b) Appointment letter; (c) Performance tests;  
(d) Interview; (e) Medical examination; (f) Period of probation;  
(g) Induction/orientation.
2. (a) Recruitment; selection (b) Selection; recruitment  
(c) recruitment; selection (d) selection
- 12.4** 1. (a) 2. (b)
- 12.5** 1. (a) Training is necessary for new employees as well as existing employees.  
(b) Training makes an employee eligible for promotion.  
(c) On the job methods encourage self learning through practice.  
(d) Methods of training of employees away from the place of work are called off the job training methods.  
(e) Transfer refers to a type of job change with same rank.

## MODULE - 5

### Functions of Management



Notes

**MODULE - 5****Staffing***Functions of Management**Notes***DO AND LEARN**

Find out various factories operating in your neighborhood. Visit one of these in the morning when it opens and talk to the workers who assemble outside and waiting to work there on daily wages. Which method of recruitment is it? Ask them if they have any chance of being absorbed in the same factory after some time?

**ROLE PLAY**

Aman Saxena has graduated from one of the good colleges and is looking for a job. He asks his uncle, who runs a placement agency, to get assistance from him.

- Aman : Good Morning Uncle! Here I am. You told me that you will help me to find a job after I complete my graduation.
- Uncle : Yes, sure. I will register your name in my agency.
- Aman : How does that help?
- Uncle : There are many companies who get in touch with us. We register names of job seekers and arrange for interviews for such candidates as per their qualifications.
- Aman : So, is that enough? Do I need to do anything else?
- Uncle : Yes, there are various other options also which can help you to find a suitable job.

(Choose one of the above roles for you and let one of your friends play the other role. Continue the conversation and explore various ways of recruitment.)