

Chapter 6 · Staffing

CBSE Class 12 Business Studies (054) · Part A · Unit 6+7+8 = 20 marks (the biggest block in the paper) · Ultimate Revision Sheet

60-SECOND RECALL

Definition	Filling and keeping filled the positions in the organisation structure — the right people in the right job .
Process (8)	Estimating manpower → Recruitment → Selection → Placement & orientation → Training & development → Performance appraisal → Promotion & career planning → Compensation
Recruitment	POSITIVE process — searching and attracting applicants. Internal (2) + External (8) sources
Selection	NEGATIVE process — rejecting unsuitable candidates. 8 steps
Training	On-the-job : apprenticeship, internship, induction Off-the-job : vestibule

1. Meaning & Importance

WRITE THIS VERBATIM Staffing is the process of filling and keeping filled the positions in the organisation structure. It involves finding the **right people for the right job**. Because it deals with people, staffing is also known as the **Human Resource Management** function.

Importance of Staffing (6)

1. **Helps in discovering and obtaining competent personnel** for various jobs.
2. **Makes for higher performance** by placing the right person in the right job.
3. **Ensures the continuous survival and growth** of the enterprise through succession planning.
4. **Helps to ensure optimum utilisation of human resources** — avoids overmanning and understaffing.
5. **Improves job satisfaction and morale** of employees through proper appraisal and rewards.
6. **Reduces the cost of personnel** by avoiding wastage of human effort.

TRAP Staffing is a **separate function** of management but is performed by **every manager**, not only by the HR department. In a small firm the manager does it himself; in a large firm a specialised HR department is created.

2. Staffing as a part of Human Resource Management

HRM includes many specialised activities and duties: recruitment · analysing jobs and collecting information about them · developing compensation and incentive plans · training and development · maintaining labour relations and union management · handling grievances and complaints · providing for social security and welfare · defending the company in lawsuits and avoiding legal complications.

3. Staffing Process (8 Steps)

#	Step	What happens
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1	Estimating manpower requirements	Workload analysis (number and type of employees needed) and workforce analysis (number and type available) → reveals overmanning or understaffing.
2	Recruitment	Searching for prospective candidates and stimulating them to apply .
3	Selection	Choosing the most suitable candidate and rejecting the rest .
4	Placement and orientation	Placement = putting the person on the job. Orientation / induction = introducing him to colleagues, rules and the workplace.
5	Training and development	Improving competencies so the employee and the organisation both grow.
6	Performance appraisal	Evaluating actual performance against pre-set standards .
7	Promotion and career planning	Offering growth opportunities and higher positions.
8	Compensation	Fixing pay, incentives and rewards, direct and indirect.

4. Recruitment

DEFINITION Recruitment is the process of searching for prospective employees and stimulating them to apply for jobs in the organisation. It is a **POSITIVE** process because it **increases** the pool of candidates.

A. Internal Sources (2)

1. Transfers — shifting an employee from one job/department/shift to another **without any major change** in responsibilities or status. **2. Promotions** — shifting an employee to a **higher position** with more responsibility, more pay and higher status.

Merits of internal sources

- Employees are **motivated** to improve performance
- Simplifies the selection and placement process — candidates are already known
- **No need of induction** training
- Helps to **transfer surplus** employees from one department to another
- **Economical** — less cost than external recruitment

Demerits of internal sources

- **No new blood** / fresh talent enters the organisation
- Scope for choice is **restricted**
- Employees may become **lethargic** if promotion is by seniority alone
- Not suitable for a **new enterprise**
- Frequent transfers may **reduce productivity**

B. External Sources (8)

- 1. Direct recruitment** — a notice is placed on the notice board; casual vacancies of unskilled/semi-skilled workers are filled from those who assemble at the gate (also called **factory gate recruitment**).
- 2. Casual callers** — a database of unsolicited applications kept by the organisation is used when a vacancy arises.
- 3. Advertisement** — in newspapers or trade journals; gives a **wide choice**; used for senior posts.
- 4. Employment exchange** — government agencies that match job seekers with vacancies; good for **unskilled and semi-skilled jobs**.

5. **Placement agencies and management consultants** — private agencies that provide a **nationwide service** and are used for **middle and top-level** posts; they keep the employer's identity confidential.
6. **Campus recruitment** — recruiting directly from colleges, institutes and universities; a convenient source of **fresh, qualified** talent.
7. **Recommendations of employees** — existing employees introduce candidates; such candidates are usually more reliable.
8. **Labour contractors** — contractors maintain close contact with labourers and bring them to the workplace; used for **unskilled** workers. (Also: **web publishing** — recruitment through websites and job portals.)

Merits of external sources

- **Qualified personnel** can be attracted
- **Wider choice** of candidates
- **Fresh talent** and new ideas enter
- **Competitive spirit** — existing staff work harder

Demerits of external sources

- **Dissatisfaction among existing staff** whose promotion chances reduce
- **Lengthy process** — takes much more time
- **Costly process** — advertising and processing expenses are high

5. Selection

DEFINITION Selection is the process of choosing from among the pool of prospective job candidates the one best suited for the position. It is a **NEGATIVE** process because it involves rejection of unsuitable candidates.

#	Step	What happens
1	Preliminary screening	Eliminates unqualified applicants on the basis of the application form.
2	Selection tests	See the five test types below.
3	Employment interview	A formal in-depth conversation to evaluate the candidate's suitability.
4	Reference and background checks	References given by the candidate are contacted to verify his background.
5	Selection decision	The final decision from among those who clear the tests, interviews and reference checks.
6	Medical examination	The candidate must pass a physical fitness test for the job.
7	Job offer	A letter of appointment is issued, giving the date to report for duty.
8	Contract of employment	Attestation of documents; job title, duties, pay, hours, leave rules and termination terms are agreed.

The Five Selection Tests

Test	Measures
Intelligence test	The level of intelligence quotient (IQ) — learning ability and decision-making.
Aptitude test	The potential for learning new skills — indicates future performance.
Personality test	The overall personality — emotions, reactions, maturity, value system.
Trade / Proficiency test	The existing skills of the individual — how well he can do the job now.
Interest test	The areas of interest of the candidate, to see whether he will enjoy the job.

MOST-CONFUSED PAIR HERE *Aptitude* = potential to learn something *in the future*. *Trade / proficiency* = skill the person *already has*. If the case says "tested whether he could be trained" → *aptitude*. "Tested his typing speed" → *trade test*.

6. Training and Development

Basis	TRAINING	DEVELOPMENT
Aim	To increase skills for the present job	Overall growth of the individual for future roles
Scope	Narrow — job related	Wider — career and personality related
Term	Short term	Long term
For whom	Mostly non-managerial / technical staff	Mostly managerial staff

Benefits to the ORGANISATION

- Systematic learning — better than hit and miss
- Enhances employee *productivity* in quantity and quality
- Equips future managers — ensures *succession*
- Increases *morale* and reduces absenteeism and turnover

- Helps *effective response to change*

- Improves efficiency, leading to *higher profits*

Benefits to the EMPLOYEE

- Improved *career prospects*
- Increased performance → *higher earnings*
- Makes the employee more *efficient* in handling machines — fewer accidents
- Increases *satisfaction and morale*

Methods of Training

Method	Type	Meaning
Induction training	On the job	Introducing the new employee to the organisation, its rules, and his colleagues so he settles in.
Apprenticeship training	On the job	The trainee works under a master worker for a fixed period to acquire a higher level of skill — used for trades like plumber, electrician, goldsmith.
Internship training	On the job	A joint programme between an educational institution and a business firm — students gain practical knowledge while studying.
Vestibule training	Off the job	Training in a duplicate model of the actual workplace , away from the real work floor, so costly machinery and output are not damaged.

HIGH-FREQUENCY TRAP *Vestibule training is OFF the job* — the only off-the-job method named in the syllabus. Apprenticeship and internship are *on the job*. Students routinely get this backwards and lose the mark.

7. Case-Study Keyword Triggers 40% of the paper is competency-based

If the case says...	The answer is...
"shifted to another department, same pay and status"	Transfer (internal source)
"moved to a higher post with more pay"	Promotion (internal source)
"went to colleges to hire final-year students"	Campus recruitment
"notice put up at the factory gate"	Direct recruitment
"kept unsolicited applications on file"	Casual callers

"agency kept the company's name confidential"	Placement agencies / management consultants
"government agency sent candidates"	Employment exchange
"contractor brought unskilled workers"	Labour contractors
"tested whether he could learn the new software"	Aptitude test
"tested his existing typing / welding skill"	Trade / proficiency test
"tested his emotional maturity and value system"	Personality test
"trained on a duplicate machine away from the shop floor"	Vestibule training (off the job)
"worked under a master craftsman for two years"	Apprenticeship training
"college tied up with the company for practical exposure"	Internship training
"introduced the new employee to colleagues and rules"	Orientation / induction
"compared number of employees needed with those available"	Estimating manpower requirements (workload + workforce analysis)

MOST-ASKED BOARD QUESTIONS

1. [6M] Explain the steps in the process of selection / staffing.
2. [6M] Explain the external sources of recruitment / merits and demerits of internal sources.
3. [4-6M] Explain the benefits of training to the organisation and to the employees.
4. [4M] Distinguish between training and development / recruitment and selection.
5. [4M] Explain the methods of on-the-job and off-the-job training.
6. [3M] Explain any three points of importance of staffing.
7. [1M] Which is a positive process — recruitment or selection? → **Recruitment**

THE ONE-LINE DISCRIMINATOR — Recruitment = **positive**, **increases** the pool, **attracts** candidates, comes **first**.

Selection = **negative**, **reduces** the pool, **rejects** candidates, comes **second**. Almost every year one mark rides on this sentence.