

# CLASS NOTES

Class: XII

Topic: STAFFING: Meaning, Importance, Process and Internal sources of recruitment

Subject: BUSINESS STUDIES

## Meaning

It refers to the process of hiring eligible candidates in the organization for specific positions. It involves the process of filling the vacant position of the right personnel at the right job, at the right time.

## Importance

- **Helps in discovering and obtaining competent personnel:** It is needed to fill the job positions, without this work can't be performed. Through Staffing employees are appointed to fill the vacant post.
- **Makes for higher performance:** It ensures high performance by putting right person on the right job.
- **Survival and growth of the enterprise:** By appointing efficient staff it ensures continuous survival and growth.
- **Helps to ensure optimum utilization of the human resources:** By avoiding over manning, it prevents under-utilization of personnel and high labor cost.
- **Improves job satisfaction:** In staffing process after appointment of employees, training, promotion is done and through objective assessment and fair reward for their contribution helps employees to boost up their morale.

## STAFFING AND HUMAN RESOURCE MANAGEMENT

- Human resource management involves determining the organization's need of human resources, recruitment and selecting the best employee, training, developing, compensating and rewarding the employees.
- Generally, when these functions are carried out at small scale level in small organizations by every manager, we call it as staffing function but when these functions are performed at large scale in big organizations there is a need to create a separate department called Human resources management department.

## STAFFING PROCESS

1. **Estimating manpower requirement:** Finding out number and type of employees needed by the organization.

**For estimating manpower requirement** company will take the following steps:

**Workload Analysis:** Finding out number and type of employees required.

**Workforce Analysis:** Analyzing existing workforce already occupying the job positions

**Workload > Workforce- Understaffing**

**Workforce > Workload- Overstaffing**

2. **Recruitment:** It is the process of searching for prospective employees and stimulating them to apply for jobs in the organization. It is considered as a positive process.

3. **Selection:** It is the process of choosing from among the pool of the prospective job candidates developed at the stage of recruitment. It is considered as a negative process.

**4.Placement and Orientation:**

- Placement refers to the employee occupying the position for which the person has been selected.
- Orientation refers to introducing the selected employees to the other employees and familiarizing him/her with the rules and policies of the organization.

5. **Training and Development:** To improve the competence of employees and to motivate them, it is necessary to provide training and development opportunities to employees.

6. **Performance Appraisal:** It refers to evaluating an employee's current/past performance as against some predetermined standards.

7. **Promotion and Career Planning:** Promotion refers to being placed at a higher job positions with more pay and responsibilities. Organization creates promotional avenues for their employees to serve the long term interest of their employees. Promotions are the integral part of people's career.

8. **Compensation:** It refers to all form of pay and reward to employees. It may be in the form of direct financial payment like wages, salaries, incentives and compensation etc. and indirect payment like employer paid insurance and vacations.

Direct financial payment are of two types:

Time based and Performance based.

Time based: This plan means salary/wages are paid on daily/weekly/monthly basis.

Performance based: Under this method the payment is made to employees on the basis of number of pieces or units produced by the employees.

## SOURCES OF RECRUITMENT

### Internal Sources and External Sources

**Internal sources of recruitment:** The vacant job positions are filled by inducing the existing employees of the organization.

**Transfer:** Shifting of employees from one job positions to other at the same level of authority.

**Promotion:** Shifting of employees from one job position to other with higher level of authority.

### **Merits of Internal Source of Recruitment**

- It motivates the existing employees.
- Simplify the process of selection and placement.
- It is tool of training the employees to prepare them for higher jobs: Transfer
- Surplus employees can be shifted to other department, where there is shortage of staff.
- It is a cheaper source.

### **Demerits of Internal Source of Recruitment**

- The scope for induction of fresh talent is reduced.
- The employees may become lethargic.
- A new enterprise cannot use internal sources of recruitment.
- The spirit of competition may be hampered.
- Frequent transfer may often reduce the productivity of the organization.

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