Chapter 6: Staffing

Exercises — Exercises

Q1 What is meant by staffing?

Staffing is the managerial function of filling and keeping filled the positions in an organisation structure. In the simplest terms, it is 'putting people to jobs'. It begins with workforce planning and includes recruitment, selection, placement, training, development, promotion, compensation and performance appraisal of the workforce. Staffing is concerned with obtaining, utilising and maintaining a satisfactory and satisfied workforce.

Q2 State the two important sources of recruitment.

The two important sources of recruitment are: (1) Internal Sources — filling vacancies from within the organisation through transfers and promotions; and (2) External Sources — attracting candidates from outside the organisation through methods such as direct recruitment, advertisements, employment exchanges, campus recruitment, and placement agencies.

Q3 The workers of a factory are unable to work on new machines and always demand for help of supervisor. The Supervisor is overburdened with their frequent calls. Suggest the remedy. (Hint: training)

The remedy is training. Workers should be given proper training on how to operate the new machines. Training is a process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased. Once trained, workers will be able to handle the machines independently, reducing their dependence on the supervisor and relieving his burden.

Q4 The quality of production is not as per standards. On investigation it was observed that most of the workers were not fully aware of the proper operation of the machinery. What could be the way to improve the quality of production to meet the standards? (training)

Training is the solution. Workers should be provided systematic training on the proper operation of machinery. Training enhances employee productivity in terms of both quantity and quality, leading to higher profits. Once workers understand how to operate the machinery correctly, quality of production will improve to meet the required standards.

Q5 The workers of a factory remain idle because of lack of knowledge of hi-tech machines. Frequent visit of engineer is made which causes high overhead charges. How can this problem be removed? (vestibule training)

This problem can be removed by vestibule training. In vestibule training, employees learn their jobs on the equipment they will be using, but the training is conducted away from the actual work floor — actual work environments are created in a classroom and employees use the same materials, files and equipment. Once trained on the hi-tech machines in this simulated setting, workers will be able to operate them independently, eliminating the need for frequent engineer visits and reducing overhead charges.

Q6 What is meant by recruitment? How is it different from selection?

Recruitment is defined as the process of searching for prospective employees and stimulating them to apply for jobs in an organisation. It involves identifying sources of labour supply, assessing their validity, choosing suitable sources, and inviting applications, thereby creating a pool of prospective job candidates. Selection, on the other hand, is the process of choosing from among the pool of prospective job candidates developed at the stage of recruitment. Recruitment precedes selection — recruitment is a positive process (attracting many applicants) while selection is a negative/eliminative process (choosing the best and rejecting the rest). Recruitment creates a talent pool; selection identifies the most suitable person from that pool through tests, interviews and background checks.

Q7 An organisation provides security services. It requires such candidates who are reliable and don't leak out the secrets of their clients. What steps should be incorporated in selection process?

For a security services organisation where trustworthiness and confidentiality are critical, the following steps in the selection process should be given special emphasis: (i) Preliminary Screening — to eliminate clearly unsuitable candidates based on application forms; (ii) Personality Tests — to assess emotional maturity, reactions and value system, since reliability and discretion depend on character; (iii) Employment Interview — an in-depth formal conversation to evaluate suitability for a job that demands trust; (iv) Reference and Background Checks — this is the most critical step: verifying information from previous employers, teachers and known persons to confirm the candidate's track record of honesty and confidentiality; (v) Medical Examination — to confirm physical fitness for the demanding nature of security work; and (vi) Contract of Employment — including clear confidentiality clauses. Special weight should be placed on background checks and personality assessment.

Q8 A company is manufacturing paper plates and bowls. It produces 1,00,000 plates and bowls each day. Due to local festival, it got an urgent order of extra 50,000 plates and bowls. Explain the method of recruitment that the company should adopt in the given circumstances to meet the order.

The company should adopt Direct Recruitment (also called casual or badli workers recruitment). Under direct recruitment, a notice is placed on the notice-board of the enterprise specifying the details of the jobs available. Job-seekers assemble outside the premises of the organisation on the specified date and selection is done on the spot. This method is suitable for filling casual vacancies of unskilled or semi-skilled jobs when there is a rush of work. Manufacturing paper plates and bowls is largely an unskilled or semi-skilled job, and the order is temporary (festival-related), making this the most appropriate and cost-effective source since it involves no advertising cost. Workers hired this way are paid on a daily wage basis and can be let go once the festival rush subsides.

Q9 Distinguish between training and development.

Training is a process of increasing the knowledge and skills of employees to enable them to do their current job better; it is a job-oriented, short-term process. Development, on the other hand, is a process of learning and growth aimed at the overall growth of the employee; it is a career-oriented, ongoing process. Training focuses on improving performance on the present job or preparing the employee for a specific intended job. Development covers not only activities that improve job performance but also those that bring about growth of personality and help individuals progress towards maturity and actualisation of their potential, making them better employees and better individuals. In short, training is a part of development — development includes training but is broader in scope.

Q10 Why are internal sources of recruitment considered to be more economical?

Internal sources of recruitment — transfers and promotions — are more economical because: (i) there is no cost of advertising the vacancy externally; (ii) the process of selection and placement is simpler and less expensive since candidates already working in the enterprise can be evaluated more accurately and economically; (iii) people recruited from within do not need induction training as they are already familiar with the organisation's culture, rules and work processes; and (iv) transfers shift workforce from surplus departments to those with shortages, avoiding recruitment cost altogether. External recruitment, in contrast, requires spending on advertisements, processing of applications, and sometimes management consultancy fees, making it costly and time-consuming.

Q11 'No organisation can be successful unless it fills and keeps the various positions filled with the right kind of people for the right job.' Elucidate.

This statement underscores the central importance of staffing. The foundation of any organisation is talented and hardworking people, who are the principal assets of any firm. The right people can help take a business to the top; the wrong people can break it. Staffing ensures the following benefits: (i) it helps in discovering and obtaining competent personnel for various jobs; (ii) it ensures higher performance by putting the right person on the right job; (iii) it ensures continuous survival and growth of the enterprise through succession planning; (iv) it helps to ensure optimum utilisation of human resources, avoiding overmanning and understaffing; and (v) it improves job satisfaction and morale of employees through objective assessment and fair reward. If the right kind of employees are not available, it leads to wastage of materials, time, effort and energy, resulting in lower productivity and poor quality of products. The enterprise will then be unable to sell its products profitably. Hence, staffing — keeping all positions occupied with qualified people — is essential for any organisation's success.

Q12 'Human resource management includes many specialized activities and duties.' Explain.

Human Resource Management (HRM) has evolved from the traditional concept of labour welfare and personnel management and today encompasses many specialised activities and duties that the human resource personnel must perform. These are: (i) Recruitment — searching for qualified people to fill job vacancies; (ii) Analysing jobs — collecting information about jobs to prepare job descriptions and candidate profiles; (iii) Developing compensation and incentive plans — establishing fair wage and salary structures, incentive and bonus schemes; (iv) Training and development of employees — for efficient performance and career growth, using on-the-job and off-the-job methods; (v) Maintaining labour relations and union-management relations — fostering a harmonious working environment; (vi) Handling grievances and complaints — ensuring employee concerns are addressed fairly; (vii) Providing for social security and welfare of employees — including health, safety and benefits; and (viii) Defending the company in law suits and avoiding legal complications — ensuring compliance with labour laws. In large organisations, the HR Department is itself large, with specialists for each of these functions. HRM is thus a specialised area requiring the expertise of many people, and its scope extends well beyond the limited staffing role performed by line managers in small organisations.

Q13 Explain the procedure for selection of employees.

Selection is the process of choosing the best person from a pool of prospective job candidates. The procedure involves the following steps in sequence: (i) Preliminary Screening — application forms are examined to eliminate unqualified applicants; preliminary interviews may also be held to reject misfits for reasons not apparent in the application form. (ii) Selection Tests — candidates take a series of employment tests measuring various characteristics such as intelligence (IQ tests), aptitude (potential for learning new skills), personality (emotional maturity and value system), trade skills (existing skill level), and interest (pattern of involvement). (iii) Employment Interview — a formal, in-depth conversation to evaluate the applicant's suitability; the interviewer seeks information and the interviewee provides it. (iv) Reference and Background Checks — previous employers, teachers and known persons are contacted to verify information and gather additional data about the candidate. (v) Selection Decision — the final decision is made from candidates who passed the tests, interviews and checks; the views of the concerned manager are generally considered. (vi) Medical Examination — the candidate undergoes a medical fitness test; the job offer is contingent on being declared fit. (vii) Job Offer — candidates who pass all hurdles receive a letter of appointment stating the date by which they must report for duty. (viii) Contract of Employment — the employer and candidate execute documents including the attestation form and a written contract of employment covering job title, duties, pay, leave rules, working hours, grievance procedure and termination conditions.

Q14 What are the advantages of training to the individual and to the organisation?

Benefits to the Organisation: (i) Training is a systematic learning, always better than hit-and-trial methods which lead to wastage of efforts and money. (ii) It enhances employee productivity in terms of both quantity and quality, leading to higher profits. (iii) Training equips future managers who can take over in case of emergency, ensuring managerial continuity. (iv) Training increases employee morale and reduces absenteeism and employee turnover. (v) It helps the organisation obtain an effective response to fast-changing technological and economic environments.

Benefits to the Employee: (i) Improved skills and knowledge due to training lead to a better career for the individual. (ii) Increased performance by the individual helps him/her earn more. (iii) Training makes the employee more efficient in handling machines, making the employee less prone to accidents. (iv) Training increases the satisfaction and morale of employees. Thus, training and development benefit both the organisation and the individual, making it an indispensable part of the staffing process.

Q15 Kaul Consultants have launched www.naukaripao.com exclusively for senior management professionals. The portal lists out senior level jobs and ensures that the job is genuine through rigorous screening process.
a. State the source of recruitment highlighted in the case above.
b. State four benefits of the above identified source of recruitment.

a. The source of recruitment highlighted is Web Publishing (Internet/Online Recruitment) used through a Placement Agency / Management Consultancy. Naukaripao.com is a website specifically designed and dedicated for providing information about job seekers and job openings; it also functions as a management consultancy firm that specialises in middle-level and top-level executive placements.

b. Four benefits of this source: (i) Wide reach — the internet reaches a large number of prospective candidates across the country and overseas, giving the organisation a very wide choice of qualified applicants for senior positions. (ii) Specialised screening — management consultancy firms maintain a data bank of persons with different qualifications and skills and conduct rigorous screening, ensuring only genuine and suitable candidates are recommended. (iii) Confidentiality — vacancies can be advertised without revealing the identity of the organisation, maintaining confidentiality about senior-level openings. (iv) Time and cost efficiency — the consultancy can quickly match personnel demand and supply from its database, saving the hiring organisation time in advertising and processing applications independently.

Q16 A company, Xylo 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. Xylo limited is planning to capture about 40% of the market share in India and also export to the tune of at least 50 crores 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.
Questions:
a. Outline the process of staffing the company should follow.
b. Which sources of recruitment the company should rely upon. Give reasons for your recommendation.
c. Outline the process of selection the company should follow with reasons.

a. Staffing Process for Xylo Limited: Since Xylo is a new enterprise in a technically demanding sector, the staffing process should follow these stages: (i) Estimating Manpower Requirements — conduct workload analysis for auto-component manufacturing roles (engineers, supervisors, skilled workers, managers) and prepare job descriptions and candidate profiles. (ii) Recruitment — identify and approach suitable internal and external sources. (iii) Selection — use rigorous selection through tests and interviews to ensure only technically competent candidates are hired. (iv) Placement and Orientation — familiarise new employees with the company, its processes and colleagues. (v) Training and Development — since the auto-components sector requires precision and technical expertise, continuous on-the-job and off-the-job training is essential. (vi) Performance Appraisal — evaluate performance against predetermined standards regularly. (vii) Compensation — design competitive pay plans to attract and retain talent in a competitive sector.

b. Recommended Sources of Recruitment: (i) Campus Recruitment from engineering and management institutes — auto-component manufacturing is technical; fresh talent from relevant disciplines ensures a qualified pool. (ii) Placement Agencies and Management Consultants — for senior technical and managerial positions; they maintain databases of skilled professionals. (iii) Advertisement in trade/professional journals — to attract experienced technicians and managers from the industry. (iv) Recommendations of existing employees — employees familiar with industry standards can refer reliable candidates. A new enterprise cannot rely on internal sources; external sources are essential.

c. Selection Process: Given the technical and quality demands of the auto-components sector: (i) Preliminary Screening — shortlist based on technical qualifications and relevant experience. (ii) Trade Tests — essential to measure existing technical skills of candidates for manufacturing roles; this distinguishes candidates who actually possess the required skills. (iii) Intelligence and Aptitude Tests — to assess learning ability and potential for handling complex machinery and quality standards. (iv) Employment Interview — to assess communication, problem-solving ability and cultural fit. (v) Reference and Background Checks — to verify prior experience in the auto sector. (vi) Medical Examination — to confirm physical fitness for factory-floor and manufacturing work. (vii) Job Offer and Contract of Employment — with clear terms including confidentiality and technical responsibilities.

Q17 A major insurance company handled all recruiting, screening and training processes for data entry/customer service representatives. Their competitor was attracting most of the qualified, potential employees in their market. Recruiting was made even more difficult by the strong economy and the 'jobseeker's market.' This resulted in the client having to choose from candidates who had the 'soft' skills needed for the job, but lacked the proper 'hard' skills and training.
Questions:
a. As an HR manager what problems do you see in the company?
b. How do you think it can be resolved and what would be its impact on the company?

a. Problems: (i) Recruitment failure — the company is unable to attract qualified candidates with both soft and hard skills; the competitor is drawing away the best talent due to either a more attractive employer brand, better compensation, or more effective recruitment sources. (ii) Inadequate selection — the company is forced to choose from a pool that lacks hard skills (technical and data-entry competency), indicating that its recruitment advertisements and sources are not reaching the right candidates. (iii) Skill deficit in new hires — accepting candidates who only have soft skills and lack hard skills means the company will face productivity and quality issues in data-entry and customer service roles. (iv) Risk of high training costs — because the company must now train new hires from scratch in hard skills, increasing onboarding time and cost.

b. Resolution and Impact: (i) Diversify recruitment sources — use web publishing, management consultants and campus recruitment from relevant vocational/IT institutes to reach candidates with data-entry and customer service technical skills. (ii) Strengthen employer branding — improve compensation packages and work environment to compete with the rival firm that is attracting better candidates. (iii) Invest in a robust training programme — since candidates with soft skills but lacking hard skills are being hired, implement systematic on-the-job training (coaching, job rotation) and off-the-job training (vestibule training, computer modelling) to bridge the skill gap. Training enhances employee productivity in terms of quantity and quality, reducing errors and improving customer service standards. Impact: Improved workforce competence, lower employee turnover, higher customer satisfaction, and ultimately better competitive performance to counter the rival's advantage.

Q18 Ms. Jayshree recently completed her Post Graduate Diploma in Human Resource Management. A few months from now a large steel manufacturing company appointed her as its human resource manager. As of now, the company employs 800 persons and has an expansion plan in hand which may require another 200 persons for various types of additional requirements. Ms. Jayshree has been given complete charge of the company's Human Resource Department.
Questions:
a. Point out, what functions is she supposed to perform?
b. What problems do you foresee in her job?
c. What steps is she going to take to perform her job efficiently?
d. How significant is her role in the organisation?

a. Functions: As the HR manager, Ms. Jayshree must perform the following HRM functions: (i) Recruitment — searching for qualified people to fill current and the 200 planned vacancies; (ii) Analysing jobs and preparing job descriptions and candidate profiles; (iii) Developing compensation and incentive plans appropriate for a steel manufacturing environment; (iv) Training and development of employees for efficient performance, skill upgradation and career growth; (v) Maintaining labour relations and union-management relations — critical in a large manufacturing company; (vi) Handling grievances and complaints of 800+ employees; (vii) Providing for social security and welfare of employees; and (viii) Ensuring the company avoids legal complications under labour laws.

b. Problems she may face: (i) Filling 200 new positions of different types within the company's expansion timeline while ensuring quality of recruitment. (ii) Identifying suitable sources of recruitment for diverse roles — technical, supervisory, managerial — in the steel sector. (iii) Managing labour relations in a large workforce (800 persons) where trade unions may be active and employee expectations vary. (iv) Designing training programmes for new hires who must quickly become productive in a technically demanding manufacturing environment. (v) Ensuring fair and objective performance appraisal and compensation design to maintain morale.

c. Steps to perform efficiently: (i) Conduct a thorough manpower requirements analysis (workload and workforce analysis) to determine the number and type of 200 additional personnel needed. (ii) Use appropriate external sources such as campus recruitment, employment exchanges, advertisements, and placement agencies to attract qualified candidates. (iii) Design a rigorous selection process including trade tests and technical interviews relevant to steel manufacturing. (iv) Plan and implement systematic on-the-job (apprenticeship, coaching, job rotation) and off-the-job (classroom, vestibule training) programmes for new and existing employees. (v) Establish clear performance appraisal standards and an equitable compensation structure to retain talent.

d. Significance of her role: Ms. Jayshree's role is extremely significant. Human resources are the most important asset of an organisation — the ability of the organisation to achieve its goals depends upon the quality of its human resources. Managing the human component is the most important task because the performance of an organisation depends upon how well this function is performed. In a 800-person steel company with an ambitious expansion plan, effective HR

management will determine whether the company can attract, retain and develop the right talent to meet production targets. Poor staffing will lead to wastage of materials, time, effort and energy, resulting in lower productivity and poor quality. Ms. Jayshree's ability to fill positions with the right people and keep them motivated will be a decisive factor in the company's competitive success.