

# NCERT Solutions for Class 12 Business Studies Principles and Functions of Management Chapter 6

## Staffing Class 12

### Chapter 6 Staffing Exercise Solutions

**Short answers/long answers :** Solutions of Questions on Page Number : 175

**Q1 :**

**Briefly enumerate the important sources of recruitment.**

**Answer :**

Recruitment refers to the process of searching and attracting the required personnel for a job. In other words, it is the process of finding the potential candidates and instigating them to apply for the job. The following are the two important sources of recruitment.

*i. Internal sources:* Internal sources of recruitment refer to the sources that are within the organisation. That is, through internal sources the jobs are filled up from inside the organisation. It can take the form of transfers and promotions. Through transfers, the job of a specific profile is filled by shifting a suitable person working in another department of the organisation to the concerned department. Similarly, through promotions, higher position job vacancies in the organisation are filled by promoting the lower level employees.

*ii. External Sources:* External sources of recruitment refer to the sources of recruitment that are outside the organisation. Through external sources the jobs in an organisation are filled by bringing in new people. For example, one of the external sources of recruitment is 'direct recruitment' which involves putting up a notice board outside office and then following the recruitment process on a specified date. Similarly, placement agencies work as an external source as they act as a match maker for the job seekers and job providers.

**Q2 :**

**Define the staffing process and the various steps involved in it?**

**Answer :**

Staffing process refers to the procedure of filling the vacancies and keeping them filled. It focuses on timely fulfillment of the human resource required within the organisation. According to 'Theo Haimann', 'staffing pertains to recruitment, selection, development, training and compensation of subordinate managers. This definition includes the steps involved in the staffing process. Following is a brief description of various steps involved in staffing.

(i) **Estimation of the Required Manpower:** The process of estimating manpower requirement is the basic step in the process of staffing. It refers to knowing the number and the kind of persons that are required in the organisation. Estimation process involves two steps-workload analysis and workforce analysis. Work load analysis implies an estimation of the number and the kind of persons required for various jobs. On the other hand, workforce analysis implies an estimation of the existing persons. The two-step analysis reveals whether there is any overstaffing or understaffing in the organisation and thereby, forms the basis of the staffing process. For example, a situation of understaffing would imply that more personnel are required to be appointed and a situation of overstaffing would imply that some of the existing personnel need to be removed.

(ii) **Recruitment/Searching:** It refers to enlisting and searching the suitable candidates for the job. It is the process of searching the appropriate people for the job and influencing them to apply for the job. Recruitment creates a pool of prospective candidates for a job. It involves searching through various sources that includes internal sources (transfers and promotions) and external sources (advertising and placement agencies). It forms the basis for the selection process by attracting the aspirants towards the organisation.

(iii) **Selection:** Selection involves choosing the right candidate out of the gathered pool of aspirants which is created after recruitment process. It is a rigorous procedure and comprises of series of tests, interviews, etc. The candidates who are not able to negotiate the selection process are rejected. It ensures that only the competent and the best ones are selected for the job. It is a highly important process as it forms the basis for working efficiency of the organisation.

(iv) **Induction and Placement:** Once the selection is done it becomes important to make the selected employees familiar with the working environment of the organisation. Induction involves giving a brief overview about the workplace, introducing them to other employees and the managers and making them comfortable with the work environment. Placement refers to occupying the position by the employee for which he has been selected.

(v) **Training and Development:** Next step in the staffing process is training and development of the employee. Both the process emphasise on improving the employee competence. Training is a process of increasing the employee's capabilities and skills required for performing the job. Development, on the other hand, focuses on the overall growth of the employee by enhancing his thinking and understanding capabilities. They help the workers to upgrade their knowledge and increase their efficiency. Moreover, training and development motivates the workers and provides them opportunities for growth and career development.

(vi) **Appraisal:** Performance appraisal is an important aspect of any organisation as it helps in evaluating the work of the individuals. Appraisal implies assessing the performance of the employee against certain predetermined standards. In addition, under performance appraisal the superior provides proper feedback to the employee so that right measures can be taken for increasing the working efficiency.

(vii) **Promotions**: Every employee needs encouragement and motivation for continuing the work with right efficiency. Promotion of the employee in terms of position, pay, etc. helps in providing job satisfaction to the employee and encourages them to realise their potential. Promotions serve the long term interests of the employees.

(viii) **Compensation**: Worth of the job is an important aspect to determine. All organisations need to establish the right pay or salary for each job. Compensation entails the price of a job along with the rewards that the employee deserves. Compensation provided to the employee can be in direct terms (that is, wages and salaries) as well as in indirect terms (such as insurance, bonus, etc.).

**Q3 :**

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

**Answer :**

Recruitment refers to the procedure of finding and stimulating the required candidates to apply for a particular job. As against this, selection is the procedure of screening and choosing the required candidates out of the gathered pool.

The following points highlight the difference between recruitment and selection.

Basis of Difference	Recruitment	Selection
Meaning	Recruitment refers to the process of finding and instigating the required personnel for a job.	Selection refers to the process of choosing the right candidate out of the gathered pool developed at the time of recruitment.
Sequence	In the staffing process, recruitment is at the second stage.	In the staffing process, selection is at the third stage and succeeds recruitment.
Employment Contract	The candidates gathered under recruitment are not offered any employment contract from the organisation.	The candidates who successfully complete the selection process are offered an employment contract by the organisation containing such information as date of joining, terms and conditions, etc.
Characteristic	Recruitment process involves attracting as many persons as possible for the job.	Selection process involves choosing only the appropriate candidate and rejecting the non-suitable ones.

**Q4 :**

**Explain the procedure for selection of employees.**

**Answer :**

Selection is a procedure to choose the appropriate candidates out of the numerous aspirants. It is a rigorous process as it involves various stages of tests and interviews. Selection process aims at getting the best out of the recruited pool so that work efficiency can be maximised. Following are the steps involved in the selection process.

(i) **Screening:** To begin with, it is necessary to eliminate those candidates who do not fulfill the basic criteria and qualification required for the job. This is done through preliminary screening by examining the information provided in the application forms. These forms may be in the form of online application or paper applications. Along with this, preliminary interviews can also be conducted to bring out the facts which are not written in the application forms and thereby, help in rejecting the misfits.

(ii) **Test:** Test is a mechanism that helps in judging certain characteristics of the aspirants. These characteristics can be regarding skills, knowledge, intelligence, etc. Various forms of testing are Intelligence test, Aptitude test, Personality test, Trade test and Interest test. They assess the individuals on different platforms and find out the suitable candidates for further selection process. For example, personality tests judge the candidate for characteristics such as maturity level, emotional control, etc. Similarly, trade test examine the skill and knowledge of the individual.

(iii) **Personal Interview:** Personal interviews are an integral part of selection process that includes conversation of the candidates with the managers. Herein, in-depth conversations are conducted to judge the suitability of the individual for the job. Sometimes, the individual may also seek information regarding the organisation in such interviews.

(iv) **Background Checks:** Once the individuals pass through the interviews, some organisations ask for references of other persons such as previous employers, other known persons. From these references the organisation aims at verifying the information provided by the candidate. Moreover, these references also act as a source of additional information of the candidate.

(v) **Selection Decision:** After the tests and interviews are completed, the final selection is done. The appropriate candidates are chosen by the concerned managers.

(vi) **Medical Examination:** Few organisations emphasise on conducting a medical examination to check the health of the candidates. The job offer is given after they are declared fit by a medical practitioner.

(vii) **Job Offer:** Next step is offering the job letter to the selected applicants. It refers to an appointment letter given by the organisation to confirm that the individual has been selected. Such letter generally comprises of such information as date of joining and the time of reporting.

(viii) **Employment Contract:** Once the job letter is given, the candidates have to fill-up some forms that are necessary for the future references. One such form is attestation form that holds information about the candidates which are attested by him/her. Another document is the

contract of employment. It comprises of details such as salary, date and terms of joining, leave rules, working hours, allowances, etc.

**Q5 :**

**Define training. How is it different from education?**

**Answer :**

Training refers to the enhancement of skills, abilities and competence required for a specific job profile. On the other hand, education refers to the process of improving the overall knowledge and understanding of the employees. The following points highlight the difference between training and education.

<b>Basis of Difference</b>	<b>Training</b>	<b>Education</b>
Meaning	Training implies increasing the skills and abilities required to perform a specific job.	Education implies increasing the overall knowledge and understanding of the employees.
Scope	Training is a narrow concept and relates to development of understanding relating to only a specific job.	Education is a wider concept and relates to the overall development of understanding.
Focus	It focuses on the goals of the organisation.	It focuses on the individual goals.

**Q6 :**

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

**Answer :**

Training is an important aspect of any organisation. It aims at building the skills and abilities of the individuals to perform a job. Training is an essential part of the job which attempts at improving the aptitude and knowledge of a person as per the job requirement. With the ever changing business environment, the complexity of the jobs has increased. Thereby, training has become all the more essential. The following are the highlighted benefits of training to the employee and the organisation.

*Benefits to the Employee*

- (i) **Better Career Opportunities:** Training enhances the skill and knowledge of the employees and thereby, helps in improving their career prospects.
- (ii) **Earn More:** By helping the individual to learn more it assist them to earn more. Training enhances the individuals understanding and knowledge. Thereby, it improves their efficiency and performance. As a result, it gives them a chance to earn more.
- (iii) **Less Accident Prone:** Training attempts to make the employees more adept and efficient in handling the machines. Jobs that require the employees to work with complex machines and in more accident-prone areas need to emphasise strongly on training and development, as it helps them in taking precautionary actions. Thus, it makes the employee less prone to accidents.
- (iv) **Self-Confidence:** Development and training direct the individuals to work more efficiently that in turn builds up required morale within the individuals. It increases their self-confidence and self-reliance thereby, contributing to higher job-satisfaction.

### ***Benefits to the Organisation***

- (i) **Less Wastage:** Training is a concept that involves systematic learning of work. It is a more efficient way of learning than any hit and trial method. This leads to less wastage of time and money. Thereby, it helps in optimum utilisation of resources.
- (ii) **Higher Profits:** By developing the individuals and making them more efficient, training enhances their productivity in work. Due to increase in both qualitative and quantitative productivity, the profits of the company rise.
- (iii) **Managerial Efficiency:** Training prepares the employees to face new challenges in different situations. This helps them in building effective responses to various situations. Training also equips the future managers to take precautionary step in case of emergency.
- (iv) **Reduced Absenteeism:** Effective training helps in boosting the morale of the employees. Thereby, it helps in reducing the rate of absenteeism and employee turnover.

**Q7 :**

**Distinguish between training and development.**

**Answer :**

Training and development are related yet distinct concepts. Though both the concepts focus on improvement of an individual but the perspectives are different. Training on one hand refers to providing the skills and abilities for a particular job. Development on the other hand, refers to the concept of growth of an individual as a whole.

The following points highlight the difference between training and development.

Basis of Difference	Training	Development
Meaning	Training refers to the process of enhancing the skills and competence of an employee that are required to perform a specific job.	Development refers to the process of overall growth of an employee.
Focus	The focus of training is the specific job requirement and is thereby, job-oriented.	The focus of development is overall growth and is thereby, career-oriented.
Scope	Training is narrow in scope and focuses on how one can become more efficient in the intended job.	Development is wider in scope and focuses on the overall personality development of the employee. Training is a part of development.

**Q8 :**

**The staffing function is performed by every manager and not necessarily by a separate department. Explain.**

**Answer :**

Staffing refers to the function of finding the right people for the right job. It is an important aspect of management as it ensures that the right people with the needed qualifications are chosen for the work.

It ensures that the vacancies are filled and always remain occupied. Staffing involves various stages including recruitment through various sources, right selection out of the applicants, placement and orientation, training of the employees, etc. Managing the human element is a requisite function of any organisation as it serves the basis of the level of efficiency of the organisation. Thus, success of any organisation depends on how effectively this function can be performed and to what extent the productivity can be increased with efficient staffing. Nowadays, it is seen that organisations that are large in size, maintain a separate department for dealing with this function. This department is generally known as 'Human Resource Department'. Under this department, the various tasks of staffing are performed by specialised managers. Along with staffing they also take care of the labour grievances. Human resource management thus act as a link between the workers and the managers.

However, staffing does not necessarily require a separate department and rather, is a function to be performed by every manager himself. Staffing forms an essential part of management. Managers here play an important role as they make sure about the optimum utilisation of the manpower. It is their task to watch if there is any vacancy and also, if any extra manpower is needed. Subsequently, they should work on how the recruitment has to be done, what

qualifications are necessary for the applicants to apply for the job, and to what extent, training is necessary for that particular job. As managers are more closely related to the workers, they can work on the staffing process more efficiently. They can set the required qualifications for a particular job according to their need and work. For example, if a manager needs two subordinates to work under him then he'll be able to mention the requirements more clearly. Similarly, they can perform the task of recruiting the personnel more smoothly as they would know what kind of personnel he would require and through what source he can gather an efficient pool of applicants, may it be internal or external sources, depending on his needs. As the main seekers of the employees, they can carry out the selection process of the right candidate in the best possible manner. Along with this, managers can also perform other important aspects of staffing namely, appraisal, promotions and career planning.

Thus, it can be said that staffing function is performed by every manager and not necessarily by a separate department.

**Q9 :**

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

**Answer :**

Internal sources of recruitment refer to the sources that are endogenous to the organisation, that is, within the organisation. There are two ways of filling the jobs internally, namely transfers and promotions. It has an advantage of being more economical than the other sources of recruitment. Filling the jobs through internal sources is cheaper in terms of time as well as money. On one hand, the time spent in the whole recruitment and selection process is diminished to a large extent through internal recruitment. On the other hand, it lowers the cost by saving the expenditure on advertisement and other related processes. Along with this, the money spent on training of the new employees is also curtailed. Thus, in contrast to other sources, the internal sources of recruitment are more economical in nature.

**Q10 :**

**What is the importance of staffing function in today's environment?**

**Answer :**

Staffing is an important function of management as it takes care of the manpower requirement of any organisation. In today's environment with rapid changes taking place in technology, size of



the organisations, etc. finding the right people for the job becomes critical. In such a scenario, proper staffing process plays an important role in the organisations.

Following are the highlighted benefits of staffing in the current world scenario.

(i) ***Finding Competent Personnel***: Staffing helps in finding and choosing the right personnel required for a job.

(ii) ***Improves Efficiency***: By ensuring that right people are placed for right jobs, the overall efficiency and performance increases.

(iii) ***Growth of the Organisation***: It ensures survival and growth of the organisation by appointing efficient and competent employees for various jobs.

(iv) ***Optimum Utilisation of Human Resources***: Through proper manpower planning, staffing prevents over-utilisation or under-utilisation of manpower. In addition, it avoids interruption in working efficiency by suggesting, in advance if there is any unfilled job.

(v) ***Job Satisfaction***: Compensation and fair rewards given to the employees provide them self-confidence and job-satisfaction. It encourages them to work diligently and give their best to the organisation.