Staffing Function of Management

The managerial function of staffing involves manning the organization structure through proper and effective selection, appraisal and development of the personnel’s to fill the roles assigned to the employers/workforce.

According to Theo Haimann, “Staffing pertains to recruitment, selection, development and compensation of subordinates.”

Nature of Staffing Function

1. **Staffing is an important managerial function**- Staffing function is the most important managerial act along with planning, organizing, directing and controlling. The operations of these four functions depend upon the manpower which is available through staffing function.

2. **Staffing is a pervasive activity**- As staffing function is carried out by all managers and in all types of concerns where business activities are carried out.

3. **Staffing is a continuous activity**- This is because staffing function continues throughout the life of an organization due to the transfers and promotions that take place.

4. **The basis of staffing function is efficient management of personnel’s**- Human resources can be efficiently managed by a system or proper procedure, that is, recruitment, selection, placement, training and development, providing remuneration, etc.

5. **Staffing helps in placing right men at the right job.** It can be done effectively through proper recruitment procedures and then finally selecting the most suitable candidate as per the job requirements.

6. **Staffing is performed by all managers** depending upon the nature of business, size of the company, qualifications and skills of managers, etc. In small companies, the top management generally performs this function. In medium and small scale enterprise, it is performed especially by the personnel department of that concern.

Staffing Process - Steps involved in Staffing

1. **Manpower requirements**- The very first step in staffing is to plan the manpower inventory required by a concern in order to match them with the job requirements and demands. Therefore, it involves forecasting and determining the future manpower needs of the concern.

2. **Recruitment**- Once the requirements are notified, the concern invites and solicits applications according to the invitations made to the desirable candidates.

3. **Selection**- This is the screening step of staffing in which the solicited applications are screened out and suitable candidates are appointed as per the requirements.
4. **Orientation and Placement**- Once screening takes place, the appointed candidates are made familiar to the work units and work environment through the orientation programs. Placement takes place by putting right man on the right job.

5. **Training and Development**- Training is a part of incentives given to the workers in order to develop and grow them within the concern. Training is generally given according to the nature of activities and scope of expansion in it. Along with it, the workers are developed by providing them extra benefits of in-depth knowledge of their functional areas. Development also includes giving them key and important jobs as a test or examination in order to analyze their performances.

6. **Remuneration**- It is a kind of compensation provided monetarily to the employees for their work performances. This is given according to the nature of job- skilled or unskilled, physical or mental, etc. Remuneration forms an important monetary incentive for the employees.

7. **Performance Evaluation**- In order to keep a track or record of the behavior, attitudes as well as opinions of the workers towards their jobs. For this regular assessment is done to evaluate and supervise different work units in a concern. It is basically concerning to know the development cycle and growth patterns of the employees in a concern.

8. **Promotion and Transfer**- Promotion is said to be a non-monetary incentive in which the worker is shifted from a higher job demanding bigger responsibilities as well as shifting the workers and transferring them to different work units and branches of the same organization.

**Manpower Planning**

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Human Resource Planning has got an important place in the arena of industrialization. Human Resource Planning has to be a systems approach and is carried out in a set procedure. The procedure is as follows:

1. Analyzing the current manpower inventory
2. Making future manpower forecasts
3. Developing employment programs
4. Design training programs

Steps in Manpower Planning

1. **Analyzing the current manpower inventory**- Before a manager makes forecast of future manpower, the current manpower status has to be analyzed. For this the following things have to be noted-
   - Type of organization
   - Number of departments
   - Number and quantity of such departments
   - Employees in these work units
Once these factors are registered by a manager, he goes for the future forecasting.

2. **Making future manpower forecasts**- Once the factors affecting the future manpower forecasts are known, planning can be done for the future manpower requirements in several work units.

   The Manpower forecasting techniques commonly employed by the organizations are as follows:

   a. **Expert Forecasts**: This includes informal decisions, formal expert surveys and Delphi technique.

   b. **Trend Analysis**: Manpower needs can be projected through extrapolation (projecting past trends), indexation (using base year as basis), and statistical analysis (central tendency measure).

   c. **Work Load Analysis**: It is dependent upon the nature of work load in a department, in a branch or in a division.

   d. **Work Force Analysis**: Whenever production and time period has to be analyzed, due allowances have to be made for getting net manpower requirements.

   e. **Other methods**: Several Mathematical models, with the aid of computers are used to forecast manpower needs, like budget and planning analysis, regression, new venture analysis.

3. **Developing employment programs**- Once the current inventory is compared with future forecasts, the employment programs can be framed and developed accordingly, which will include recruitment, selection procedures and placement plans.

4. **Design training programs**- These will be based upon extent of diversification, expansion plans, development programs, etc. Training programs depend upon the extent of improvement in technology and advancement to take place. It is also done to improve upon the skills, capabilities, knowledge of the workers.

**Importance of Manpower Planning**

1. **Key to managerial functions**- The four managerial functions, i.e., planning, organizing, directing and controlling are based upon the manpower. Human resources help in the implementation of all these managerial activities. Therefore, staffing becomes a key to all managerial functions.

2. **Efficient utilization**- Efficient management of personnel’s becomes an important function in the industrialization world of today. Setting of large scale enterprises requires management of large scale manpower. It can be effectively done through staffing function.

3. **Motivation**- Staffing function not only includes putting right men on right job, but it also comprises of motivational programs, i.e., incentive plans to be framed for further participation and employment of employees in a concern. Therefore, all types of incentive plans become an integral part of staffing function.
4. **Better human relations**- A concern can stabilize itself if human relations develop and are strong. Human relations become strong through effective control, clear communication, effective supervision and leadership in a concern. Staffing function also looks after training and development of the work force which leads to co-operation and better human relations.

5. **Higher productivity**- Productivity level increases when resources are utilized in best possible manner. Higher productivity is a result of minimum wastage of time, money, efforts and energies. This is possible through the staffing and its related activities (Performance appraisal, training and development, remuneration)

### Need of Manpower Planning

Manpower Planning is a two-phased process because manpower planning not only analyses the current human resources but also makes manpower forecasts and thereby draw employment programs. Manpower Planning is advantageous to firm in following manner:

1. Shortages and surpluses can be identified so that quick action can be taken wherever required.
2. All the recruitment and selection programs are based on manpower planning.
3. It also helps to reduce the labor cost as excess staff can be identified and thereby overstaffing can be avoided.
4. It also helps to identify the available talents in a concern and accordingly training programs can be chalked out to develop those talents.
5. It helps in growth and diversification of business. Through manpower planning, human resources can be readily available and they can be utilized in best manner.
6. It helps the organization to realize the importance of manpower management which ultimately helps in the stability of a concern.

### Obstacles in Manpower Planning

Following are the main obstacles that organizations face in the process of manpower planning:

1. **Under Utilization of Manpower**: The biggest obstacle in case of manpower planning is the fact that the industries in general are not making optimum use of their manpower and once manpower planning begins, it encounters heavy odds in stepping up the utilization.
2. **Degree of Absenteeism**: Absenteeism is quite high and has been increasing since last few years.
3. **Lack of Education and Skilled Labor**: The extent of illiteracy and the slow pace of development of the skilled categories account for low productivity in employees. Low productivity has implications for manpower planning.
4. **Manpower Control and Review**:
   a. Any increase in manpower is considered at the top level of management
   b. On the basis of manpower plans, personnel budgets are prepared. These act as control mechanisms to keep the manpower under certain broadly defined limits.
c. The productivity of any organization is usually calculated using the formula:

\[
\text{Productivity} = \frac{\text{Output}}{\text{Input}}
\]

But a rough index of employee productivity is calculated as follows:

\[
\text{Employee Productivity} = \frac{\text{Total Production}}{\text{Total no. of employees}}
\]

d. Exit Interviews, the rate of turnover and rate of absenteeism are source of vital information on the satisfaction level of manpower. For conservation of Human Resources and better utilization of men studying this condition, manpower control would have to take into account the data to make meaningful analysis.

e. Extent of Overtime: The amount of overtime paid may be due to real shortage of men, ineffective management or improper utilization of manpower. Manpower control would require a careful study of overtime statistics.

Few Organizations do not have sufficient records and information on manpower. Several of those who have them do not have a proper retrieval system. There are complications in resolving the issues in design, definition and creation of computerized personnel information system for effective manpower planning and utilization. Even the existing technologies in this respect are not optimally used. This is a strategic disadvantage.

**Types of Recruitment**

Recruitment is of 2 types

1. **Internal Recruitment** - is a recruitment which takes place within the concern or organization. Internal sources of recruitment are readily available to an organization. Internal sources are primarily three - Transfers, promotions and Re-employment of ex-employees. Re-employment of ex-employees is one of the internal sources of recruitment in which employees can be invited and appointed to fill vacancies in the concern. There are situations when ex-employees provide unsolicited applications also.

Internal recruitment may lead to increase in employee’s productivity as their motivation level increases. It also saves time, money and efforts. But a drawback of internal recruitment is that it refrains the organization from new blood. Also, not all the manpower requirements can be met through internal recruitment. Hiring from outside has to be done.

   a. **Transfers**
   
   b. **Promotions (through Internal Job Postings)** and

   c. **Re-employment of ex-employees** - Re-employment of ex-employees is one of the internal sources of recruitment in which employees can be invited and
appointed to fill vacancies in the concern. There are situations when ex-
employees provide unsolicited applications also.

2. **External Recruitment** - External sources of recruitment have to be solicited from
outside the organization. External sources are external to a concern. But it involves
lot of time and money. The external sources of recruitment include - Employment at
factory gate, advertisements, employment exchanges, employment agencies,
educational institutes, labor contractors, recommendations etc.

   a. **Employment at Factory Level** - This a source of external recruitment in
      which the applications for vacancies are presented on bulletin boards
      outside the Factory or at the Gate. This kind of recruitment is applicable
generally where factory workers are to be appointed. There are people
who keep on soliciting jobs from one place to another. These applicants
are called as unsolicited applicants. These types of workers apply on their
own for their job. For this kind of recruitment workers have a tendency to
shift from one factory to another and therefore they are called as “badli”
workers.

   b. **Advertisement** - It is an external source which has got an important place
      in recruitment procedure. The biggest advantage of advertisement is that it
covers a wide area of market and scattered applicants can get information
from advertisements. Medium used is Newspapers and Television.

   c. **Employment Exchanges** - There are certain Employment exchanges
      which are run by government. Most of the government undertakings and
concerns employ people through such exchanges. Now-a-days recruitment
in government agencies has become compulsory through employment
exchange.

   d. **Employment Agencies** - There are certain professional organizations
      which look towards recruitment and employment of people, i.e. these
private agencies run by private individuals supply required manpower to
needy concerns.

   e. **Educational Institutions** - There are certain professional Institutions
      which serve as an external source for recruiting fresh graduates from these
institutes. This kind of recruitment done through such educational
institutions is called as Campus Recruitment. They have special
recruitment cells which help in providing jobs to fresh candidates.

   f. **Recommendations** - There are certain people who have experience in a
      particular area. They enjoy goodwill and a stand in the company. There
are certain vacancies which are filled by recommendations of such people.
The biggest drawback of this source is that the company has to rely totally
on such people which can later on prove to be inefficient.

   g. **Labor Contractors** - These are the specialist people who supply
manpower to the Factory or Manufacturing plants. Through these
contractors, workers are appointed on contract basis, i.e. for a particular
time period. Under conditions when these contractors leave the
organization, such people who are appointed have to also leave the
concern.
Employee Selection Process

Employee Selection is the process of putting right men on right job. It is a procedure of matching organizational requirements with the skills and qualifications of people. Effective selection can be done only when there is effective matching. By selecting best candidate for the required job, the organization will get quality performance of employees. Moreover, organization will face less of absenteeism and employee turnover problems. By selecting right candidate for the required job, organization will also save time and money. Proper screening of candidates takes place during selection procedure. All the potential candidates who apply for the given job are tested.

But selection must be differentiated from recruitment, though these are two phases of employment process. Recruitment is considered to be a positive process as it motivates more of candidates to apply for the job. It creates a pool of applicants. It is just sourcing of data. While selection is a negative process as the inappropriate candidates are rejected here. Recruitment precedes selection in staffing process. Selection involves choosing the best candidate with best abilities, skills and knowledge for the required job.

The Employee selection Process takes place in following order-

1. Preliminary Interviews - It is used to eliminate those candidates who do not meet the minimum eligibility criteria laid down by the organization. The skills, academic and family background, competencies and interests of the candidate are examined during preliminary interview. Preliminary interviews are less formalized and planned than the final interviews. The candidates are given a brief up about the company and the job profile; and it is also examined how much the candidate knows about the company. Preliminary interviews are also called screening interviews.

2. Application blanks - The candidates who clear the preliminary interview are required to fill application blank. It contains data record of the candidates such as details about age, qualifications, reason for leaving previous job, experience, etc.

3. Written Tests - Various written tests conducted during selection procedure are aptitude test, intelligence test, reasoning test, personality test, etc. These tests are used to objectively assess the potential candidate. They should not be biased.

4. Employment Interviews - It is a one to one interaction between the interviewer and the potential candidate. It is used to find whether the candidate is best suited for the required job or not. But such interviews consume time and money both. Moreover the competencies of the candidate cannot be judged. Such interviews may be biased at times. Such interviews should be conducted properly. No distractions should be there in room. There should be an honest communication between candidate and interviewer.

5. Medical examination - Medical tests are conducted to ensure physical fitness of the potential employee. It will decrease chances of employee absenteeism.

6. Appointment Letter - A reference check is made about the candidate selected and then finally he is appointed by giving a formal appointment letter.
**Difference between Recruitment and Selection**

<table>
<thead>
<tr>
<th>Basis</th>
<th>Recruitment</th>
<th>Selection</th>
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</thead>
<tbody>
<tr>
<td>Meaning</td>
<td>It is an activity of establishing contact between employers and applicants.</td>
<td>It is a process of picking up more competent and suitable employees.</td>
</tr>
<tr>
<td>Objective</td>
<td>It encourages large number of Candidates for a job.</td>
<td>It attempts at rejecting unsuitable candidates.</td>
</tr>
<tr>
<td>Process</td>
<td>It is a simple process.</td>
<td>It is a complicated process.</td>
</tr>
<tr>
<td>Hurdles</td>
<td>The candidates have not to cross over many hurdles.</td>
<td>Many hurdles have to be crossed.</td>
</tr>
<tr>
<td>Approach</td>
<td>It is a positive approach.</td>
<td>It is a negative approach.</td>
</tr>
<tr>
<td>Sequence</td>
<td>It precedes selection.</td>
<td>It follows recruitment.</td>
</tr>
<tr>
<td>Economy</td>
<td>It is an economical method.</td>
<td>It is an expensive method.</td>
</tr>
<tr>
<td>Time Consuming</td>
<td>Less time is required.</td>
<td>More time is required.</td>
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**Orientation and Placement**

Once the candidates are selected for the required job, they have to be fitted as per the qualifications. Placement is said to be the process of fitting the selected person at the right job or place, i.e. fitting square pegs in square holes and round pegs in round holes. Once he is fitted into the job, he is given the activities he has to perform and also told about his duties. The freshly appointed candidates are then given orientation in order to familiarize and introduce the company to him. Generally the information given during the orientation program includes:

- Employee’s layout
- Type of organizational structure
- Departmental goals
- Organizational layout
- General rules and regulations
- Standing Orders
- Grievance system or procedure
In short, during Orientation employees are made aware about the mission and vision of the organization, the nature of operation of the organization, policies and programs of the organization.

The main aim of conducting Orientation is to build up confidence, morale and trust of the employee in the new organization, so that he becomes a productive and an efficient employee of the organization and contributes to the organizational success.

The nature of Orientation program varies with the organizational size, i.e., smaller the organization the more informal is the Orientation and larger the organization more formalized is the Orientation program.

Proper Placement of employees will lower the chances of employee’s absenteeism. The employees will be more satisfied and contended with their work.

**Training of Employees - Need and Importance of Training**

Training of employees takes place after orientation takes place. Training is the process of enhancing the skills, capabilities and knowledge of employees for doing a particular job. Training process moulds the thinking of employees and leads to quality performance of employees. It is continuous and never ending in nature.

**Importance of Training**

Training is crucial for organizational development and success. It is fruitful to both employers and employees of an organization. An employee will become more efficient and productive if he is trained well.

Training is given on four basic grounds:

1. New candidates who join an organization are given training. This training familiarizes them with the organizational mission, vision, rules and regulations and the working conditions.
2. The existing employees are trained to refresh and enhance their knowledge.
3. If any update and amendments take place in technology, training is given to cope up with those changes. For instance, purchasing new equipment, changes in technique of production, computer impartment. The employees are trained about use of new equipments and work methods.
4. When promotion and career growth becomes important. Training is given so that employees are prepared to share the responsibilities of the higher level job.

The benefits of training can be summed up as:

1. **Improves morale of employees**- Training helps the employee to get job security and job satisfaction. The more satisfied the employee is and the greater is his morale, the more he will contribute to organizational success and the lesser will be employee absenteeism and turnover.
2. **Less supervision**- A well trained employee will be well acquainted with the job and will need less of supervision. Thus, there will be less wastage of time and efforts.

3. **Fewer accidents**- Errors are likely to occur if the employees lack knowledge and skills required for doing a particular job. The more trained an employee is, the less are the chances of committing accidents in job and the more proficient the employee becomes.

4. **Chances of promotion**- Employees acquire skills and efficiency during training. They become more eligible for promotion. They become an asset for the organization.

5. **Increased productivity**- Training improves efficiency and productivity of employees. Well trained employees show both quantity and quality performance. There is less wastage of time, money and resources if employees are properly trained.

**Ways/Methods of Training**

Training is generally imparted in two ways:

1. **On the job training**- On the job training methods are those which are given to the employees within the everyday working of a concern. It is a simple and cost-effective training method. The in proficient as well as semi-proficient employees can be well trained by using such training method. The employees are trained in actual working scenario. The motto of such training is “learning by doing.” Instances of such on-job training methods are job-rotation, coaching, temporary promotions, etc.

2. **Off the job training**- Off the job training methods are those in which training is provided away from the actual working condition. It is generally used in case of new employees. Instances of off the job training methods are workshops, seminars, conferences, etc. Such method is costly and is effective if and only if large number of employees have to be trained within a short time period. Off the job training is also called as vestibule training, i.e., the employees are trained in a separate area (may be a hall, entrance, reception area, etc. known as a vestibule) where the actual working conditions are duplicated.

**Employee Remuneration**

Employee Remuneration refers to the reward or compensation given to the employees for their work performances. Remuneration provides basic attraction to a employee to perform job efficiently and effectively. Remuneration leads to employee motivation. Salaries constitute an important source of income for employees and determine their standard of living. Salaries affect the employee’s productivity and work performance. Thus the amount and method of remuneration are very important for both management and employees.

There are mainly two types of Employee Remuneration

1. **Time Rate Method**
2. **Piece Rate Method**

These methods of employee remuneration are explained below in detail

**Methods of Employee Remuneration**

1. **Time Rate Method:** Under time rate system, remuneration is directly linked with the time spent or devoted by an employee on the job. The employees are paid a fixed pre-decided amount hourly, daily, weekly or monthly irrespective of their output. It is a very simple method of remuneration. It leads to minimum wastage of resources and lesser chances of accidents. Time Rate method leads to quality output and this method is very beneficial to new employees as they can learn their work without any reduction in their salaries. This method encourages employees unity as employees of a particular group/cadre get equal salaries.

   There are some drawbacks of Time Rate Method, such as, it leads to tight supervision, indefinite employee cost, lesser efficiency of employees as there is no distinction made between efficient and inefficient employees, and lesser morale of employees.

   Time rate system is more suitable where the work is non-repetitive in nature and emphasis is more on quality output rather than quantity output.

2. **Piece Rate Method:** It is a method of compensation in which remuneration is paid on the basis of units or pieces produced by an employee. In this system emphasis is more on quantity output rather than quality output. Under this system the determination of employee cost per unit is not difficult because salaries differ with output. There is less supervision required under this method and hence the per unit cost of production is low. This system improves the morale of the employees as the salaries are directly related with their work efforts. There is greater work-efficiency in this method.

   There are some drawbacks of this method, such as; it is not easily computable, leads to deterioration in work quality, wastage of resources, lesser unity of employees, higher cost of production and insecurity among the employees.

   Piece rate system is more suitable where the nature of work is repetitive and quantity is emphasized more than quality.