

## Lesson:-09

### STAFFING

Human resource management, Human resource planning, Human resource planning process, Human resource management process, recruitment, selection, socialization, training and development, performance appraisal, promotions, transfers, demotions and separations, maintaining human resources, Four c's model for evaluating human resources, special issues in human resources. Among a manager's most critical tasks are the selection, training, and development of people who will best help the organization meet its goals. Hence, today we will look at human resource management (HRM), the management function through which managers recruit, select, train, and develop organization members.

#### Human Resource Management

Human resource management (HRM) is a staff function. HRM managers advise line managers throughout the organization. Furthermore, the company may need more or fewer employees and managers from time to time. The HRM process is an ongoing procedure that tries to keep the organization supplied with the right people in the right positions,

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The human resource management process, as shown in the figure, includes seven basic activities.

The first three activities ensure that competent employees are identified and selected; the next two activities involve providing employees with up-to-date knowledge and skills; and the final two activities entails making sure that the organization retains competent and high-performing employees who are capable of sustaining high performance.

#### Human Resource Planning

1. *Human resource planning* is designed to ensure that personnel needs will be constantly and appropriately met. It is accomplished through analysis of (a) internal factors, such as current and expected skill needs, vacancies, and departmental expansions and reductions, and (b) factors in the environment, such as the labor market. The use of computers to build and maintain information about all employees has enabled organizations to be much more efficient in their planning of human resources.

2. *Recruitment* is concerned with developing a pool of job candidates in line with the human resource plan. Candidates are usually located through newspaper and professional journal advertisements, employment agencies, word of mouth, and visits to college and university campuses.

3. *Selection* involves using application forms, resumes, interviews, employment and skills tests, and reference checks to evaluate and screen job candidates for the managers who will ultimately select and hire a candidate.

4. *Socialization* (orientation) is designed to help the selected individuals fit smoothly into the organization. Newcomers are introduced to their colleagues, acquainted with their responsibilities, and informed about the organization's culture, policies, and expectations regarding employee behavior.

5. *Training and development* both aim to increase employees' abilities to contribute to organizational effectiveness. Training is designed to improve skills in the present job; development programs are designed to prepare employees for promotion.

6. *Performance appraisal* compares an individual's job performance to standards or objectives developed for the individual's position. Low performance may prompt corrective action, such as additional training, a demotion, or separation, while high performance may merit a reward, such as a raise, bonus, or promotion. Although an employee's immediate supervisor performs the appraisal, the HRM department is responsible for working with upper management to establish the policies that guide all performance appraisals.

7. *Maintaining Human Resources* involves maintaining the workforce in the organization. High performers may be promoted or transferred to help them develop their skills, while low performers may be demoted, transferred to less important positions, or even separated. Any of these options will, in turn, affect human resource planning. This also involves determining compensation and benefits to the employees.

### **Human Resource Planning**

The need for human resource planning may not be readily apparent. However, an organization that does not do planning for human resources may find that it is not meeting either its personnel requirements or its overall goals effectively. For example, a manufacturing company may hope to increase productivity with new automated equipment, but if the company does not start to hire and train people to operate the equipment before installation, the equipment may remain idle for weeks or even months.

Planning for human resources is a challenging task today, given the increasingly competitive environment, projected labor shortages, changing demographics, and pressure from government to protect both employees and the environment.

Human resource planning has four basic aspects: (1) *planning for future needs* by deciding how many people with what skills the organization will need, (2) *planning for future balance* by comparing the number of needed employees to the number of present employees who can be expected to stay with the organization, which leads to (3) *planning for recruiting or laying off employees* and (4) *planning for the development of employees*, to be sure the organization has a steady supply of experienced and capable personnel.

This is an important part of planning, because internal recruitment has a number of advantages.

The starting point in attracting qualified human resources is planning. HR planning, in turn involves job analysis and forecasting the demand and supply of labor.

Job analysis is a systematic analysis of jobs within an organization. A job analysis is made up of two parts. The job description lists the duties of a job; the job's working conditions; and the tools, materials, and equipment used to perform it. The job specification lists the skills, abilities, and other credentials needed to do the job.

After managers fully understand the jobs to be performed within the organization, they can start planning for the organization's future human resource needs. The manager starts by assessing trends in past human resource usage, future organizational plans, and general economic trends. A good sales forecast is often the foundation, especially for smaller organizations. Historical ratios can then be used to predict the demand for employees such as operating employees and sales representatives. Large organizations use more complicated models to predict their future human resource needs. To be effective, the managers of a human resource program must consider two major factors. The primary factor is the organization's human resource needs. For example, a strategy of internal growth means that additional employees must be hired. Acquisitions or mergers, on the other hand, probably mean the organization will need to plan for layoffs, since mergers tend to create duplicate or overlapping positions that can be handled more efficiently with fewer employees. The second factor to consider is the economic environment of the future. A booming economy might encourage expansion, which would increase the demand for employees. However, the same booming economy would result in low unemployment, making it harder and more expensive to attract qualified employees. Organizations that want to expand overseas confront similar problems. Forecasting the supply of labor is really two tasks: forecasting the internal supply (the number and type of employees who will be in the organization at some future date) and forecasting the external supply (the number and type of people who will be available for hiring in the labor market at large).

The simplest approach merely adjusts present staffing levels for anticipated turnover and promotions.

Larger organizations use more sophisticated models to make these forecasts.

At higher levels of the organization, managers plan for specific people and positions. The technique most commonly used is the replacement chart, which lists each important managerial position, who

occupies it, how long he or she will probably remain in the position, and who (by name) is now qualified or soon will be qualified to move into the position. This method allows ample time to plan developmental experiences for persons identified as potential successors to critical jobs.

For forecasting the external supply of labor, planners must rely on information from outside sources, such as employment exchanges, government reports, and figures supplied by colleges on the number of students in major fields.

Managers next make plans to deal with predicted shortfalls or overstaffing. If a shortfall is predicted, new employees can be hired, present employees can be retrained and transferred into the understaffed area, individuals approaching retirement can be convinced to stay on, or labor-saving or productivity enhancing systems can be installed. If the organization needs to hire, the forecast of the external

labor supply helps managers plan how to recruit, based on whether the type of person needed is readily available or scarce in the labor market. Temporary workers also help managers in staffing by affording them extra flexibility. More and more companies today are going through downsizing or restructuring and reengineering. If overstaffing is expected to be a problem, the main options are transferring the extra employees, not replacing individuals who quit, encouraging early retirement, and laying people off.

To facilitate both planning and identifying persons for current transfer or promotion, some organizations also have an employee information system, or skills inventory. Such systems are usually computerized and contain information on each employee's education, skills, work experience, and career aspirations.

Such a system can quickly locate all the employees in the organization who are qualified to fill a position.

### **Recruitment**

Once managers know their current human resource status and their future needs, they can begin to do something about any inconsistencies. If one or more vacancies exist, they can use the information gathered for the process of recruitment – that is, the process of locating, identifying, and attracting capable applicants. On the other hand, if HR planning shows a surplus of employees, management may want to reduce the organization's workforce through decruitment. Before employees can be recruited, recruiters must have some clear ideas regarding the activities and responsibilities required in the job being filled. Job analysis is therefore an early step in the recruitment process. Once a specific job has been analyzed, a written statement of its content and location is incorporated into the organization chart. This statement, as you have understood earlier, is called either a job description or position description. Each box on the organization chart is linked to a description that lists the title, duties, and responsibilities for that position. For example, a brief position description might read as follows: "Sales Manager: Duties include hiring, training, and supervising small sales staff and administration of sales department; responsible for performance of department; reports to Division Manager."

Once the position description has been determined, an accompanying hiring or job specification is developed. The hiring specification defines the education, experience, and skills an individual must have in order to perform effectively in the position. The hiring specification for sales manager might read: "Position requires BBA degree; five years' experience in sales and two years' supervisory experience; energetic, motivated individual with well-developed interpersonal skills."

Recruitment takes place within a *labor market*—that is, the pool of available people who have the open positions. The labor market changes over time in response to environmental factors.

For example, as Sony became a more global company it had to learn to recruit in many different labor markets.

Sources for recruitment depend on the availability of the right kinds of people in the local labor pool as well as on the nature of the positions to be filled. An organization's ability to recruit employees often hinges as much on the organization's reputation and the attractiveness of its location as on the attractiveness of the specific job offer. If people with the appropriate skills are not available within the organization or in the local labor pool, they may have to be recruited from some distance away or

perhaps from competing organizations. Federal Express has 25 recruitment centers around the US where candidates are screened. Often a *peer recruiter* is used—someone with actual experience in the type of work for which applicants are being recruited. This system offers dual benefits: the recruit sees firsthand the type of person who would be suited for the position, and, at the same time, the recruiter can offer an experience-based, realistic image of what the position is like. Large companies use various outside recruitment sources to fill vacancies at different levels of management. For many large companies, college and graduate school campuses are a major source of entry-level and new managerial help. Campus recruiting, however, has some disadvantages: The recruitment process can be quite expensive, and it is not uncommon for hired graduates to leave an organization after two or three years. When recruiting to fill middle management and top-level positions, any large companies resort to even costlier and more competitive hiring strategies.