Principles of Management Prof. Susmita Mukhopadhyay Vinod Gupta School of Management Indian Institute of Technology, Kharagpur

Module – 07 Lecture – 31 Concept, importance, process and methods of Staffing and HRM

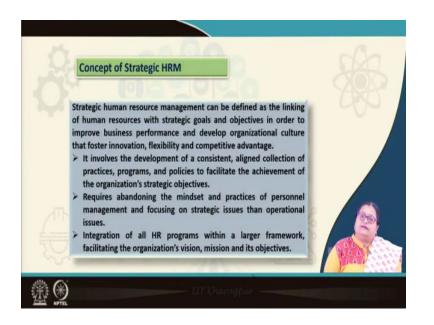
Welcome you all, I am Dr. Susmita Mukhopadhyay, Associate Professor of Vinod Gupta School of Management, IIT Kharagpur will be taking you through the next phase of the course. The earlier phase of the course was taken by Dr. Srinivasan and I hope all of you have enjoyed the course. So, let us see what is there in this week's discussion, which is module 7.

(Refer Slide Time: 00:49)

R	INCIPLES OF MANAGEMENT
	Main topics to be discussed on two important functions
	of Management for this week which include -
	(i) Staffing: HRM, recruitment & Selection, Performance Appraisal and Career Strategy
	(ii) Coordination: Concept, issues and techniques.
	Lecture -1, includes the concept, importance, components,
	functions, steps, process and relation between staffing and HRM

The main topics to be discussed or the two important functions of management are in this week which includes staffing and coordination. In staffing we will discuss about the HRM, the recruitment and selection process, performance appraisal and career strategy and in coordination we will discuss about the concepts, issues and techniques. Today, in the lecture 1 of the week we will discuss the concept, importance, components, functions, steps, processes and relation between staffing and HRM. So, let us move forward.

(Refer Slide Time: 01:36)



Now, when we discuss about staffing before that we need to understand very clearly the concept of strategic HRM, because staffing is an integral part of the strategic HRM function and if we are not able to understand the concept of strategic HRM properly then maybe we will not be able to understand the importance of staffing also in this whole process.

Now, what is strategic HRM? Strategic human resource management can be defined as the linking of human resources with the strategic goals and objectives of the organization in order to improve the business performance and develop organizational culture that foster innovation flexibility and competitive advantage.

So, it is very important to understand that when we are discussing strategic HRM the goal is on focused on the business goal of the organization and it contributes towards like improving business performance.

Now, what does it involve? It involves the development of a consistent aligned collection of practices programs and policies to facilitate the achievement of the organizations strategic objectives. It requires the abandoning of the mindset and practices of personal management which are the age-old practices.

Traditional practices that HRM should function in a silo and it is maybe not connected to the organizational objectives that mindset need to be abundant and it what we need to develop then; we need to focus on the strategic issues more and then the operational issues and what

is most important is the integration of the all HRM programs within the larger framework facilitating the organizations vision, mission, and its objectives.

lssues	Traditional HRM	Strategic HRM	
Responsibility	Staff specialists	Line managers	
Focus	Employee relations	Partnership with internal and external customers	
Role of HR	Transactional, change followers and respondent	Transformational, change leader and initiator	
Initiatives	Slow, reactive, fragmented	Fast, proactive, integrated	
Time horizon	Short term	Short, medium long (As necessary)	
Control	Bureaucratic-role, policies, procedures	Organic-flexible whatever is necessary to success	
Job design	Tight division of labour, independence, specialization	Broad, flexible, cross training, teams	
Key investment	Capital, products	People, knowledge	
Accountability	Cost centre	Investment centre	

(Refer Slide Time: 04:01)

Now, if we have to discuss in a nutshell; what are the differences between traditional HRM and strategic HRM; what we see over here that the responsibility for traditional HRM was with the staff specialists, but with strategic HRM the responsibility lies with the line managers.

The focus in traditional HRM was an employee relation and in strategic HRM it is the partnership with the internal and external customers. When you are talking of the internal and customers, and all the employees are also the customers of the organization and each department may be the customer to the next department who were like aligned in functions together.

What is the role of HR? In traditional HRM the role of HR is transactional in nature, it is the change followers and they are respondent. Why? In strategic HRM the role is more transformational in nature, they are the change leaders and they are change initiators. While taking initiatives in traditional HRM will find like the they are very slow, reactive and fragmented, while in strategic HRM it is fast, proactive, and integrated.

The time horizon for traditional HRM is a short-term focus, but in strategic HRM we find it a short, medium- and long-term focus as and when necessary. The control in terms of

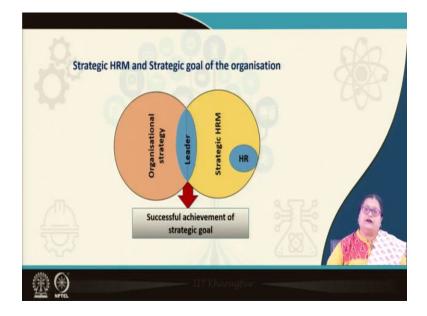
traditional HRM is more bureaucratic, roles, policies and procedures. In strategic HRM it is organic flexible whatever is necessary to give success.

The job design in case of traditional HRM is tight division of labour like in then there is independence and specialization, but in case of strategic HRM you find broad, flexible, cross training and more of teamwork.

The key investment in traditional HRM are capitals and products while in strategic HRM we will find that the people and knowledge are the main investments. The accountability what we find which is a major shift in traditional HRM it is taken to be the cost centre while in strategic HRM it is investment centre.

So, what you see like with the change in philosophy of by moving from traditional HRM to strategic HRM, where employees are more looked into as the investment centers, strategic partners in the decision making of the organization, major contributors towards the performance of the organisation.

Organization has become more flexible, it has become more like cross training teamwork has more important than it has become; obviously, it is going to affect the nature of the staffing of the organization.

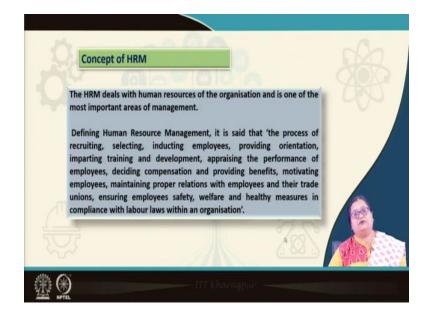


(Refer Slide Time: 07:27)

So, what we see over here the strategic goal of the organisation and is that of like the when you are talking of the strategic HRM, organisational strategy and strategic HRM are

intertwined with each other where people take a leadership role in the successful achievement of the strategic goal of the organisation.

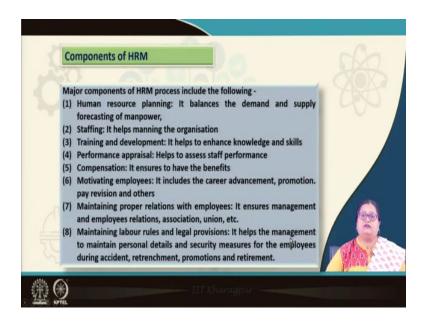
(Refer Slide Time: 07:55)



While we move through the concept of HRM? These are the functions of HRM and the regular functions like the recruiting, selecting, inducting employees providing orientation, imparting training, development, appraising performance appraisal.

All these functions that we have known which are the traditional functions, which are required like when we call of like acquiring employees, developing employees, motivating employees, then keeping them in the organisation and see that how they grow that all the functions and the well being of the employees all these HR functions are related to each of these phases of the of the process of the HR process, but what we have to keep in mind now?

(Refer Slide Time: 08:44)



Like traditionally all these functions were taken like they are functioning in silos, but now with the changing concept as we have moved to strategic HRM, it is believed like all these functions are related with each other and they are also related with the main goal of the organisation.

So, we will just make a quick look forward through the different components of the HRM process which includes first of course, which is very important is the human resource planning like which balances the demand and supply forecasting of manpower.

Second important function definitely which we are going to discuss today is that of staffing, because it helps the manning of the organisation, third is the training and development, fourth performance appraisal, then compensation, motivation of employees, maintaining the proper relations with the employees is also very important, maintaining labour rules and legal provisions.

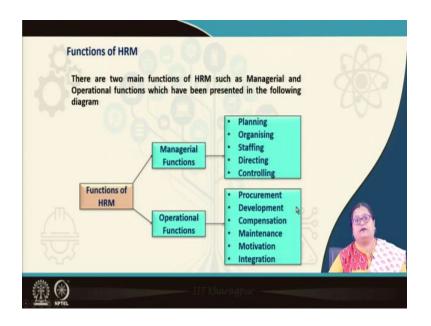
So that we are abide by the laws of the land, then we abide by the processes of equal opportunities and everything is like whether there are promotions, retirement and security measures for the employees during accidents and everything. These are done as per law and there is no discrimination done to any employees based on any sort of grounds.

(Refer Slide Time: 10:23)

So, if we want to see it in a flow diagram what we see over here like; the staffing is one of the major important functions which leads to the training and after that training is done it can be both on the job training and off the job training. It leads to performance assessment, then again which leads to motivation which can be through either rewards or benefits or recognition.

And then what you see in performance appraisal also there are two methods which are the traditional method and then some modern method and then with motivation it gets linked to the compensation received by the employees in the organisation and that it helps in maintaining the labour relations and again it leads to maintenance of health, welfare and safety.

So, how it gets linked is that if again these all these processes are done properly definitely it is going to get a good feedback about the organisation and the organisation will get a recognition from the society at large and maybe many people will be interested to join the organisation, which is definitely going to have a good result or the staffing. (Refer Slide Time: 11:46)



So, here are the different functions again of HRM which are like we can classify it to be the managerial functions and the operational functions. In managerial functions what you see planning, organising, staffing, directing and controlling are there and in operational functions procurement, development, compensation, maintenance, motivation and integration is there.

(Refer Slide Time: 12:22)



In today's discussion we are going to focus on staffing. So, again like these are the discussions which are on like different functions starting from recruitment, we will discuss bit on human resource planning before we move on to the staffing.

(Refer Slide Time: 12:30)



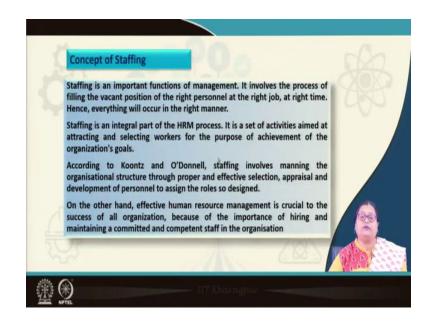
Human resource planning; why we are discussing it, because it is the start phase of thinking about like whom do I want in the organization? Where from to get those people? Why do I want them in the organization? How they are going to match with my strategic goals of the organization?

So, it is a very-very important component of human resource management, which helps in the systematically forecast and organizations future demand for and supply of employees. So, it has like because if it is done in that way it also helps an organization to staff itself with the right people at the right time.

It has the six interrelated areas of activities such as demand forecasting like it helps in estimating future manpower needs, supply forecasting, it helps in estimating the future, supply of manpower, forecasting requirements like then we want to see what is the demand supply forecast to identify future deficits or supplier or surplus of employees, productivity and cost analysis, analyzing the productivity capacity utilization and costs in order to increase the productivity and reduce the cost.

Action planning; preparing a plan of action to deal with deficits up and surplus of the future manpower. Budgeting and control; setting human resource budgets and standards and monitoring and including under implementation monitoring the implementation part.

(Refer Slide Time: 14:36)



Now, when we have known what is our strategic goal and when we know like what are the human resource plans like whether there is a demand, whether there is a supply, what is the difference between the demand and supply?

Will it lead to a deficit of manpower or will it lead to a surplus of manpower in the future that it is going to come and how I see the movement of people within my organization and maybe out of my organization, also after I have done all these background studies and exercises after that only I am ready for staffing.

So, assuming that an organization has studied its strategic goals properly understood the alignment of the human resource functions and policies and processes with the strategic goals of the organization and done its human resource planning properly then we are going to discuss about staffing.

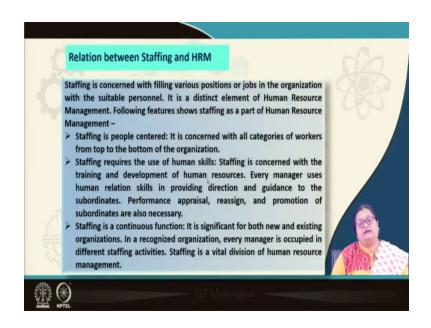
So, let us see what is the concept of staffing? Staffing is an important function of management. It involves the process of filling the vacant position of with the right personal and the right job, at the right time. Hence, everything will occur in a right manner. So, it is a very integral part of HRM process. It is a set of activities, which are aimed at attracting and selecting the workers for the purpose of achievement of the organization's goals.

According to Koontz and O'Donnell, staffing involves manning the organisational structure through proper and effective selection, appraisal and development of personal to assign the

roles so designed. So, once is that and to enable to the staffing to happen properly then the effective human resource management is also a very essential part, because what are the processes?

Whether do you have a proper HR system in place or not? All this will, whether do you have an established hiring mechanism? Whether you take care in maintaining and developing committed and competent staff in the organisation? What is your philosophy towards your employees in the organization? All these are going to affect your staffing.

(Refer Slide Time: 17:27)

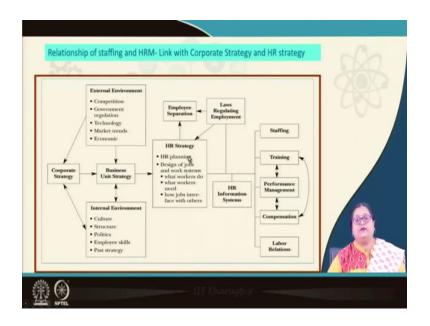


So, when we go to study the relationship between staffing and HRM what we find is that like staffing is people centered, it revolves around people. It requires the use of human skills. So, it is concerned with the training and development of human resources. So, how like you make people more competent to function in the job that they are placed?

How to do their performance appraisal? To how to have you defined their job roles properly or not? These are very important and also staffing is a continuous function and it is a significant function for both new and existing organization.

So, what happens maybe for a new or an existing organization? The focal point of staffing will be different or the way that they approach towards staffing would be different, but staffing is a continuous function and very important function both for new and existing organizations.

(Refer Slide Time: 18:43)



So, if you can see over here, here we have tried to link the staffing function with the corporate strategy and the HR strategy. So, what we find over here like the corporate strategy gets like affected by the external environment functions and the in like and the internal environment like the things in the internal environment.

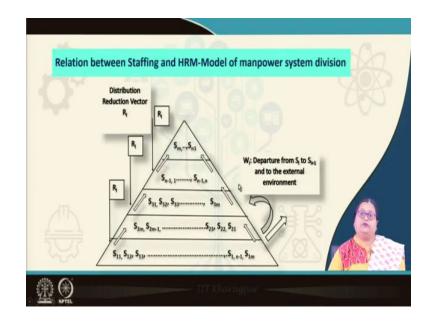
So, at this strategy again has a you will find like this it has a bi directional arrow also on the internal environment of the organization. These together will affect your business strategy. The business strategy is going to affect the HR strategy regarding like what is your HR planning? How do you design your jobs and the work systems?

So, what you expect workers to do? Then like what are the workers would they need to do their jobs properly? So, how do the jobs interface with each other? All these are parts of HR strategy. So, this may lead to like sometimes employee separations, because people who are not able to adjust to the demands in the job or to the job situation or to the organizations culture or the like the pace in the job.

They may go for separation. Others may decide to continue and those who decides to continue, then what you find over here, like what are the laws which are regulating the regular employment it will affect your separation also and what is the human resource information system is kept like what is the how you are maintaining your talent pool and these will have a effect on your staffing, training, performance management, compensation and again the labour relations which are again going to affect each other.

So, in this way like if you are able to do your staffing properly, maintaining a link with the corporate strategy, down to the business strategy, relating to the HR strategy, then what you find is the employees contribution performance gets well linked with the performance of the organization and they are able to contribute well to the goals of the organization.

(Refer Slide Time: 21:21)



Now, here what we are trying to show is a relation between staffing and the HRM model of the manpower system division. What you are trying to see over here, we should not consider staffing as only a mere process rather we should take it as an HR decision with lot of thought process going into understanding, how is my staffing linked with the strategy of the organization.

In the next few months or the coming years, what are the movements that I can expect to happen at the different levels of my organization. What you see this triangle are people moving from one layer to the other layer in the hierarchy.

So, this will also depend on the career planning, succession planning, that you have designed, that you have in mind for the employees. What you see also as we discussed about employee separation, some people are moving out to a particular from a particular in organization.

They are going out. There is an employee separation. Others you find like from one-layer people are moving to the next layer. So, there is until and unless you know when this movement happens and who is most expected to move to the next layer or to the move out,

there you will not be able to understand like how will be what will be, the nature of the vacancy, when that vacancy will happen and where to get your people who is going to fill up this.

And you know your decision also, do you really want to fill up that gap or you want to like merge to job roles. So, that you do not have to fill up that gap. So, these are HR related decisions which needs to be taken and staffing is also in that way an HR decision that you have to see like whom to get, how to get, whether to get or not, to get at what point of time the employees, all these questions you have to answer and then follow your regular processes of recruitment, selection, training, appraisal and motivation and other things.

 Relation between Staffing and HRM- Changing role of people in organization

 Strategic Process

 Strategic Process

 Strategic Partner

 Change Agents

 People

 Administrative expert

 Employee champion

 Process

(Refer Slide Time: 23:41)

So, and also one important very-very important function. Why I am repeating like staffing is rather a decision rather than a mere process in the whole HR system, because we find like that there are changing roles of people. People are no longer playing only one role that they are coming to the organization as employee and they are reacting to the orders given or they are carrying out orders given to them.

In present time people are expected to play different roles. What you see over here, people are playing the role of strategic partner, they are playing the role of change agent, they are playing the role of employee champion and they also have to play the role of administrative expert.

So, when we are thinking of staffing while we are thinking of placing a person in a particular position, we need to understand also, what kind of role we expect that the person should be playing for us.

Direct Single Relationships	Cross Relationships	Direct Group Relationships	Total Relationships	
n (max)	n (n-1)	n (2 ⁻¹ -1)	n (2 ⁿ⁻¹ +n-1)	
n (min)	n/2 (n-1)	2 ⁿ -n-1	2°+n(n-1)/2 -1	
2	2 _{max} , 1 _{min}	2 _{max} 1 _{min}	6 _{mast} 4 _{min}	
3	6 _{maa} 3 _{min}	9 _{max} 4 _{min}	18 _{max} , 10 _{min}	
4	12 _{max} 6 _{min}	28 _{maa} , 11 _{min}	44 _{max} , 21 _{min}	
5	20 _{max} 10 _{min}	75 _{maa} , 26 _{min}	100 _{maa} , 41 _{min}	6
6	30 _{mase} 15 _{min}	186 _{may} 57 _{min} C	222 _{may} 78 _{min}	1

(Refer Slide Time: 24:46)

Another function which affects the staffing process is of course, the span of control that the that is there at a particular level what, because we understand people or the organizations are now moving forward from single people working towards team-based structure. What we can find over there? As depicted in this picture is like the number of relationships possible when you have like 2 people, 3 people, 4 people working with each other.

So, there could be like cross relationship between 2 people, there could be group and direct and group relationship and there are what you find there are n number of total relationships which are happening, which is a very-very complex system. So, why we are discussing this over here; to help us to understand whenever we are thinking of staffing it is not only filling up that position with a particular x number of or x employee.

We have to be very careful about whom we are placing in that position and why? Whether that person will be able to deal with the expected relationships as expected in that position.

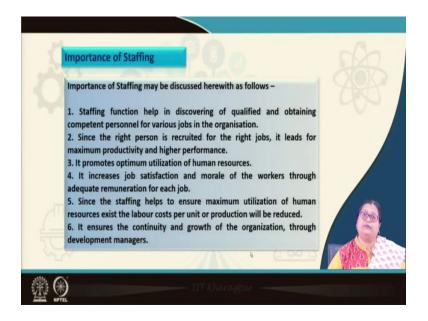
What we see over here is like when maybe two people are working together there are minimum of two like maximum of two cross relationships and like when you are talking of direct group relationships also there are two as a result what you find that the total relationships possible which are like 6 and minimum of 4 relationships.

When you find like 6 people you may be thinking like I will make a 6-member team. What you find there are 30 maximum cross relationships and 186 direct group relationships and in total there are 222 maximum relationships, which if you can like see that picture, visualize that picture what you what is the importance? These 6 people are not just mere numbers to be filled vacant positions, to be filled with anyone that we get over there.

We have to see the right qualification, the right competence, the right personality, the right attitude, mindset of the person not only the technical know-how of the job, but the behavioral aspects also which will help him or her to progress stay in the organization like contribute properly to the group goals and to the organizational goals.

So, because of this increased nature of the complexity of the job, changing nature of the job the staffing function has become further more important and complex and it has it is the great responsibility of the organization to do the staffing properly, because the better the staffing process, the better employees that you get into the organization who will contribute in a better way for the for not only for their own development, but also for the organizations development.

(Refer Slide Time: 28:34)



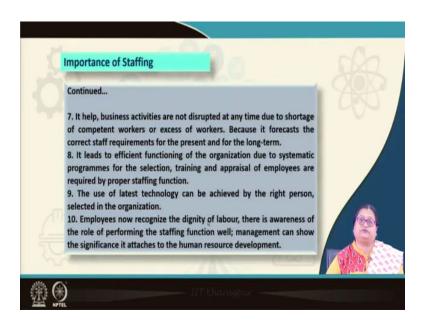
So, as we discuss the importance of staffing what we find? It helps in discovering of qualified and obtaining competent personnel for the various jobs in the organisation.

So, since the right person, the focus is on recruiting the right person for the right job and this right is not only right in terms of only in educational qualification, but with the right attitude, right behavior, right mindset like right proactiveness to the contribute to the organizations goal.

And if you can do that properly then what happens like; it gives optimum utilization of manpower and it helps to like lead to the not only the organizations development, but also to the it leads to the persons development also, because if it is not only mapping the right person to the right job, but we have to see the HR also needs to be developed properly, the whole system needs to be there in place.

The organizational culture has to be well developed also. Both the staffing process and the culture and the HR systems together will lead to a very good, well balanced synergistic system where both the employee and the organization can grow together properly with the proper staffing there in place.

(Refer Slide Time: 30:10)

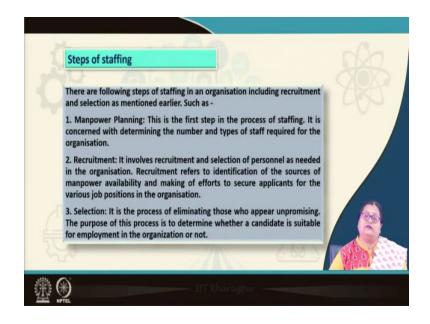


So, what we also find over there if we can visualize who are the people required, when will be the vacancy, how to train people, what will be the future job requirements then what happens?

It will prevent any shortages of competent workers or excess of workers, because we can do like we have forecasted our staff requirements for the present and for the long-term objectives of the organizations properly. So, the right technology can also be used for getting the right persons in place to be select it in the organizations.

So, the employees also now recognize the dignity of labour. So, they also understand like the importance that the staffing has in the whole system of the organizations function and they also want to look forward to processes where they are able to contribute towards the organizations course as a valued member of the organization.

(Refer Slide Time: 31:26)

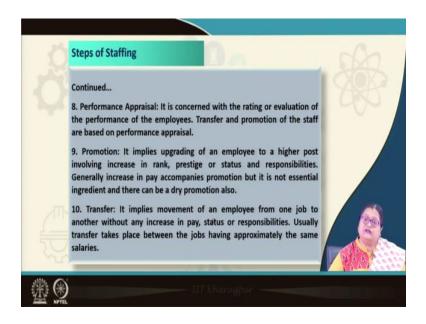


(Refer Slide Time: 31:44)

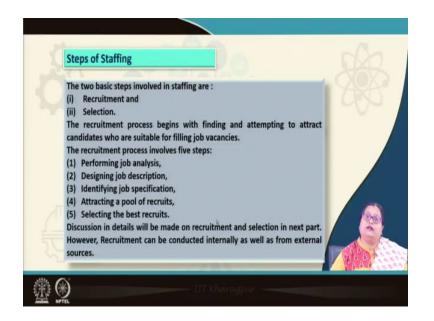


So, this in nutshell the steps of staffing are of course, it will start with manpower planning, second is recruitment, third is selection process, then we after recruitment and selection is done it leads to placement in the when we had place the person in a particular job for duty, induction, then training, compensation and performance appraisal is a very-very important part of the staffing process, promotion, transfer and of these what we see over here like all these processes it starts with like when you are talking of manpower, planning, recruitment, selection, these are very important steps in getting the people into the organization.

(Refer Slide Time: 32:00)



(Refer Slide Time: 32:08)



Then placing the person in the job, induction and training is making the person comfortable with the job, giving them the knowledge about the job. Compensation is a part of the motivation done to the so that the person is motivated to stay there.

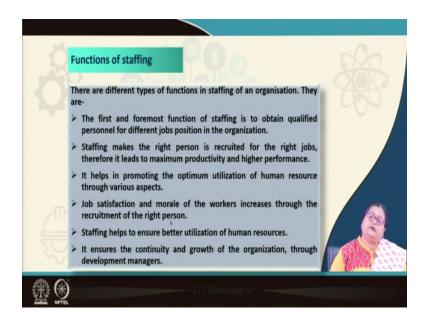
Then the performance appraisal it, it is taken to be a feedback process where what is expected about the to reach the organizations goal, how far the employee, what is what was expected as a performance from the employee whether that person, how far that person has done it and what can be done to improve on his or her performance.

Then based on that these are decisions about the career planning of the organization, about promotions or transfers so that the which helps the person to get ideas about the other job roles these so that in future if required the person can take up other responsibilities also. So, these are important parts of the staffing functions so that making people prepared for the present and also maybe the future upcoming roles.

So, the two basic steps are of course, the recruitment and selection and recruitment and selection of course, begins with the job analysis, then preparing the job description, identifying the job specification, then attracting a pool of recruits and selecting the best recruits.

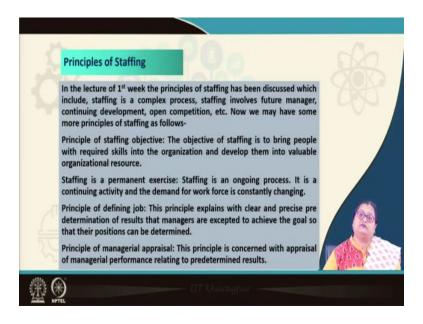
We will be discussing more about recruitment and selection in the next session which is the next session which is coming in this week.

(Refer Slide Time: 34:19)



The, if we have to conclude about the functions of staffing to it is to obtain qualified personnel for different job positions of the organization. So, getting the right person for the right job and then of course, the this right person as we have already told it is about the get right education, right mindset, right attitude, right qualification, right competency and mapping that person with the right job so that it is not only the person who develops and the both the person and the organization develops together.

(Refer Slide Time: 34:53)



So, the principles of staffing are like the; what we have to understand it is a continuous exercise, it is a permanent exercise. So, the job needs to be defined properly, then what are the expectations from the job like and how the performance is defined, the performance appraisal needs to be defined properly so that what happens when you are going for staffing, we have gone there with the full background exercise done.

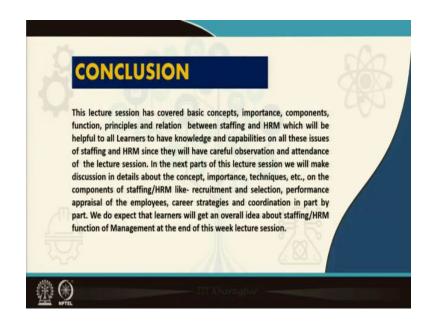
We know like what is the position that we are looking for, why we are looking for people in that position. We understand that it is a regular exercise that needs to be done, because recruitment, selection, training, induction these are this is not a one-time yearly process, it is a regular process which is required.

So, the knowledge development of the person takes place the and people are kept updated about their, how their development competency development and how they are able to contribute towards the organizations goal, what are the organizations expectations from them are clearly stated. How far they have reached that objectives and what they need to contribute more and their contributions to the organizations are also like clearly stated to them in measurable terms.

(Refer Slide Time: 36:38)



(Refer Slide Time: 36:41)



So, with this we will come to the end of this discussion of this lecture session. So, what we have covered in this lecture session the basic concepts, importance and components and functions and of staffing. We have tried to discuss given you an overview of strategic HRM. We have tried to like discuss on how staffing forms an integral important part of strategic HRM.

How staffing is not only just a mere process or a function, but it is a decision that the organization needs to take about whom to place and where to place, because we have seen like it is very deeply connected with this decision is a decision which is about the present and the future man power strength of the organization. When you have seen like there could be different kinds of movements across the organization at different positions either people moving from one level to the other, people moving out of the organization for various reasons.

So, it has to be linked with the succession planning also so that and the decision whether to fill up a position and whether not to fill up a position. We have also seen how in today's time like, it is very important like relationships of at work are become complex and important with increasing nature of teamwork.

So, it is very important who are your team members, who are the team members, people with right knowledge and right attitude and the people who can contribute and take initiative

towards the organization goal and mutual like who can live in a mutual synergy of not only personal growth.

And also, organizations growth are the people whom the organization need to bring in together and place in a particular position and also take care like they do not suffocate in the organization, but also their personal growth, their career growth is also taken into consideration as they also like love being within the organization and grow within the organization.

The both the organization and the employee together grow and together like contribute towards each other's development and reach toward very sustainable system. So, that is the very important focus of staffing and contribution of staffing towards the strategic HR functions.

The next lecture stations that are going to come up with this background in mind we are going to discuss on recruitment and selection which is a very important part of staffing, we are going to discuss on performance management and performance appraisal, we are going to discuss on as I told the career development of the, of the employees in the organization is very important.

It is not only that you bring in people and they are only going to contribute for the you are the organizations group. The organization is equally responsible to see that the persons grow in their career and there is a personal growth in terms of competencies and knowledge base also and we will also discuss about coordination functions like how all these functions together can be coordinated with each other, because whether we discuss about staffing or we discuss about any other function, coordination is very-very important within the sub functions of the HR's and the different other functions also.

So, as we progress through the lecture of this week, we will discuss on all these, we will discuss on each of these things and we will try to conclude about its importance towards the staffing and the behavior of the, staffing functions of the organization and towards the total functioning of the management and the success of the organization.

Thank you.