

Principles of Management
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Lecture - 34
Staffing and Coordination - I

Today, we will discuss about Staffing and Human Resource Management. In this lecture, we will be discussing about the learning outcomes to understand how Staffing function helps in filling the jobs with right number of people in the right positions or place at the right time.

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LEARNING OUTCOMES

- To understand how staffing function helps in filling the jobs with right number of people in the right position at the right time
- Understand the importance of human resource management process in identifying, selecting, and retaining high performing employees in organizations


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And we will also cover understanding the importance of human resource management process in identifying, selecting and retaining high performing employees in organizations.

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DEFINITION OF STAFFING

- Staffing is defined as filling, and keeping filled, positions in the organizational structure.
- This is done by *identifying workforce requirements, inventorying the people available and recruiting, selecting, promoting, appraising, training and developing* jobholders to accomplish tasks effectively and efficiently.



The slide features a blue header with the title 'DEFINITION OF STAFFING' in white. Below the header, there are two bullet points. The second bullet point contains italicized text. To the right of the text is a photograph of four people in business attire. At the bottom of the slide, there is a dark blue footer with logos on the left and the number '4' on the right.

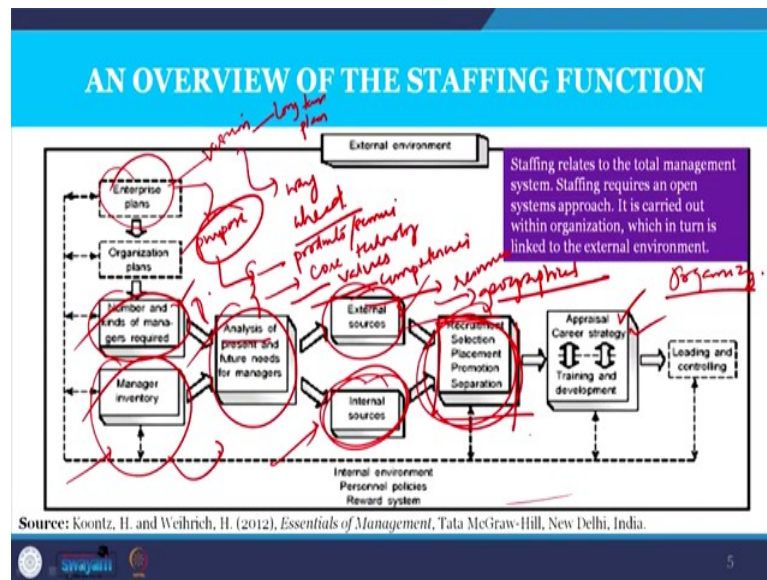
Who are high performing employees? High performing employees are those who will be working with in different positions and who would coordinate effectively with people and who can perform their job responsibilities so that the organizations performance improves.

So, we will start with the definition of staffing and then I will explain what is the overview of the staffing function and then situational factors affecting staffing. So, let us start with the definition of staffing.

Staffing is defined as filling and keeping filled positions in organizational structure as in an organization there are different roles and responsibilities and there are different positions in different levels. So, those positions need to be filled by the right manpower. The person who is given the responsibility should have adequate competencies to exhibit his performance.

So, this is done by identifying workforce requirements, inventorying the people available in the organization available and recruiting, selecting, promoting, appraising their performance by giving them adequate training and developing the job holders to accomplish task most efficiently and effectively.

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As an overview of the staffing function, staffing relates to total management system. Staffing requires an open systems approach and it is carried out within the organization which is in turn linked to external environment. I will explain this with respect to how an organization is perceived as an open systems and organization takes inputs from external environment in terms of the resources, land, capital, machinery and these the resources are inputs in the system.

And the various processes in the organization the management functions through various plans, the planning function, organizing, directing, controlling and various coordination of each of these functions helps the organization to transform the inputs the raw materials into finished goods which is like the products and services which are to be used by the customers to be used which is meant for consumption in the external environment.

So, organization cannot function in silos or the departments, units they cannot work in as an independent one, but they have to work in coordination with each other and they can effectively function if they procure, if they have a coordination with external environment if they keep on receiving signals, they keep on getting inputs from external environment.

So, it is not just like a close system, but an organization is perceived as an open system with coordination, with various functions and activities within the organization as well as coordinating with external environment, the stakeholders in the external environment

like the government, the other organizations, the competitors' organizations, the suppliers and several other stakeholders like the media.

So, there is an inter-functional interdependence of various parts, various elements within the organization as well as coordination with the other organizations, other firms so that the organization can remain competitive, can be sustainable. So, with this objective we will discuss how the staffing function is relevant to the organization.

When an organization when an enterprise plans so, the organization or enterprise plans the number of plan like how it will initiate, how it will start the business, what would be its products and service which like a what would be its core competence, what plan it would execute the organization would come up with an objective, with the purpose of the organization.

So, in planning the organization sets the vision or its long term plan; long term plan long or short term vision or the way ahead how it would move forward, carry forward.

Then further it decides its purpose; purpose comes with its products and services. If the organization would have products services, then what would be the core technology. The core values, the competencies would be used and the resources that the organization would have.

So, what is a purpose? Why the business is being or what business the firm would be in and which would be its geographical area of operation? Which geographical territory the firm would venture into? So, all these things are decided in the planning stage and further once the plans are there in place, then next would be organizing.

Organizing means allocation of resources to different people in the organization, having a proper structure, defining the roles and responsibilities and deciding the hierarchy. So, number and kinds of managers required – then comes the need for how many people would be required who should be given what type of responsibility based on the level of competency of individual.

Then, there is also a management manager inventory which is there in the organization as well as this inventory has to be developed. So, based on the number and kind of

managers required or the positions, the vacancies and the inventory is an input to analysis of the present and future needs of managers.

So, based on these two inputs, the organization, the managers can take necessary steps towards how many positions, how many managers would be required for future positions, future vacancies or in the say present roles how many people would be required.

So, this can be procured from external sources as well as this requirement can be placed through internal sources. So, these can help in both the internal and external sources which can help in say assessing the recruitment, selection, placement, promotion, and separation stage and then finally, there would be an appraisal, career strategy, training and development of individuals.

So, this entire process works in coordination with each other. So, what we discussed is an over view of the staffing function which relates to the total management system staffing requires an open systems approach. So, it is an open systems approach and organization cannot necessarily recruit from within.

So, if there is a talent which is available, readily available in the market. So, that person can be hired who can execute task efficiently and effectively. So, it is carried out within an organization which in turn is linked to the external environment.

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SITUATIONAL FACTORS AFFECTING STAFFING

- External factors include the level of education, prevailing attitudes in society (such as the attitude toward work), laws and regulations that directly affect staffing, economic conditions, and the supply of and demand for managers outside the enterprise
- Internal factors that affect staffing include, organizational goals, tasks, technology, organization structure, kinds of people employed by the enterprise, the demand for and the supply of managers within the enterprise, reward system, and various kinds of policies

Cost / winning quality

Next, we will discuss about the situational factors affecting staffing; what are the factors which effect staffing. There are external factors include the level of education, the prevailing attitudes in the society such as attitude towards work, whether the person has a favourable attitude or an unfavourable attitude, what is the attitude towards work, the laws and regulations which are guiding employment that directly affects staffing and economic conditions and supply and demand for managers outside the enterprise.

Internal factor guiding or affecting staffing are an organizational goal like whether the firm would have a cost minimization or innovation strategy or the firm is into say the emphasis on there is emphasis on quality; so, what is the organizational goal.

Then task technology, what is the task which will be given to the employee, the technology, organizational structure, the kind of people employed by the enterprise, the demand for and supply of managers within the enterprise, the reward system and various kinds of the policies. So, these internal and external factors decide or they affect the staffing function.

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STAFFING AND HUMAN RESOURCE MANAGEMENT

- ❖ **Human resource management (HRM)** is paramount for staffing function. It involves getting the right number of people in the right place at the right time.
- ❖ HRM involves acquiring, training, appraising, and compensating employees, attending to labor relations, health and safety, and fairness concerns.





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Moving further, we will discuss about what is human resource management. Human resource management is of paramount importance for an organization because without an effective human resource an organization cannot perform. So, for performance we need to have people who can add value to the organization though infrastructure, strategy,

structure of an organization, capital plays a massive role in performance of an organization.

Without all of these an organization cannot run, but if we do not have people or adequate staffing measures then our organization cannot also perform. So, if technology is there and infrastructure is present, but if people are not efficient organization cannot perform. So, with this background, we will discuss about what is human resource management.

It is of paramount importance and it is required first it is an important staffing function. It involves getting the right people in the right place at right time. Human resource management requires, it involves training, apprising, acquisition of manpower and compensation, compensating employees attending to labor relations health and wellbeing of employees, safety measures and fairness concern.

So, all these are important parts or important elements of human resource management. Then let us discuss about the evolution of human resource management and the issues driving the evolution of human resource management.

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EVOLUTION OF HUMAN RESOURCE MANAGEMENT		
FIGURE 14.1 Issues Driving the Evolution of Human Resource Management		
	Major Business Issues	Common Titles for "HR"
	Small businesses, and workers' guilds	No "HR" people
1900s	Growth of larger-scale enterprises due to effects of earlier industrial revolution, World War I	Labor Relations, Personnel
1920s	World-wide economic depression, Hawthorne "human relations" studies, first labor legislation	Industrial Relations Personnel
1940s	World War II, growth of large diversified enterprises	Personnel Administration
1960s	Civil rights and compliance	Personnel
1980s	Growing impact of globalization and technology, and emergence of the knowledge/service economy, human capital	Personnel/Human Resources
2000s	Modern organizations, organization effectiveness, strategic HR planning	Human Resource Management

Source: Based on Richard Vosburgh, "The Evolution of HR: Developing HR as an Internal Consulting Organization," *Human Resource Planning* 30, no. 3 (September 2007).

So, I will start with the major business issues the small businesses and workers initially there were the common titles of human resource. In the business there was no HR people then 1900s there was a growth of large scale enterprise due to effect of earlier industrial revolution.

World War I, the concept of labor relations the title started emerging as the labor relations or the personnel before that as we have discussed there used to be small businesses and workers guilds.

So, there was no human resource management title given to the people who were working in the organization, but 1900s onwards the growth of large scale enterprises started taking place due to the industrial revolution the early phases of industrial revolution and there was focus on the titles of labor relations and personnel.

Then 1920s the world wide economic depression, Hawthorne's human relation studies started emerging the first labor legislations came into being and then the emphasis started taking on the focus on industrial relations, personnel started gaining importance. Later on in 1940s World War II the growth of large diversified enterprises.

Then the enterprises started moving beyond the geographical areas, the geographical territories. So, with these there were concerns for personnel administration. Earlier has we have seen there was no title given to the people working in the organization. There was no HR people later in the Ist World War, labor relation started gaining slow slowly started gating importance and in 1920s the expansion of enterprises towards the growth of large diversified firms. The diversification of firms has given an importance to personnel administration.

Then next with 1960s, civil rights and compliance, the personnel were again gaining importance and then growing impact in 1980s. There was emphasis on the globalization and technology and emergence of knowledge or service economy or human capital, then the personnel or human resources again it started taking shape.

So, this has cited how human relations or human resource management slowly started gaining importance with no existence to known as personnel, labor relations or industrial relations and human resources or personnel resources. Then 2000s onwards modern organizations, organizations effectiveness, strategic human resource planning started taking the centre stage of discussion and human resource management came into full force.

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IMPORTANCE OF HUMAN RESOURCE MANAGEMENT

- ❖ **Human resource management (HRM)** is important for managers because:
- ❑ HRM helps finding employees not performing at peak capacity
- ❑ HRM helps avoid hiring the wrong person for the job or experiencing high turnover
- ❑ HRM is a source for competitive advantage by creating a superior shareholder value
- ❑ HRM significantly affect organizational performance

So, after that there were people started talking about the importance of human resource management – what is it, how is it relevant to the organization, what it can do to the organization for sustainable business. So, human resource management is important for managers because HRM helps finding employees not performing at peak capacity. Human resource also helps avoid hiring the wrong person for the job or experiencing high turnover.

So, it takes care of identification of the right manpower hiring right person and also reducing the turn over. So, these are two important things which it takes care of and then it is a source of competitive advantage by creating superior shareholder value. Let us talk about how human resources can create a competitive, can it be a competitive advantage? Can it be a core competence for a firm? Yes.

As we have discussed that resources are competence for an organization, the tangible resources. Tangible resources like the land, capital, technology, the machinery they can be copied. These are the tangible assets of an organization. Tangible assets of one organization in no time can be copied by another organization, but what remains competitive advantage for a firm is the intangible asset.

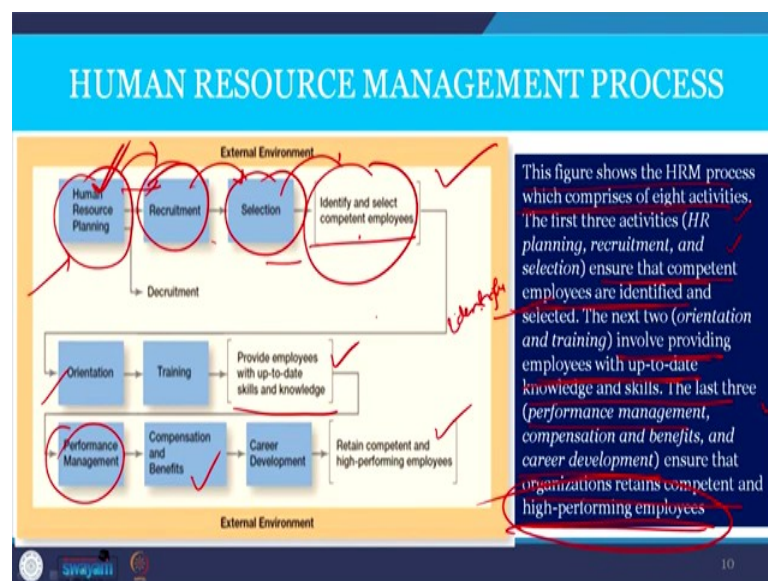
What is that intangible asset? What cannot be seen is the knowledge and experience of employees. So, employees if we hire the right person in an organization or we otherwise call it is a person job fit; the right person working in a right organizational culture with

the right position being given with the job or assignment being given would compete, would excel in the job, would try to perform effectively in the job, which is very important for overall performance of organization.

So, how this human resources can be a source of competitive advantage? If an employee is working in an organization, he acquires knowledge experience and skills on competency over a period of time the knowledge skills, competencies are inherent within an individual and which cannot be copied by another firm or a competitor's firm.

So, what remains is a competitive advantage is or competitors in what remains a competitive advantage is the knowledge and experience of employee, the opinion, the years of experience or the tacit knowledge which the person acquires. So, thus concluding this point; human resource is a source of competitive advantage by creating a superior shareholder value. Human resource significantly affects organizational performance. So, it is important asset for an organization.

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Next we will discuss about what are the various parts or what defines the human resource management process, as we discussed an organization is like an open system. So, the entire process of human resource management is an open system where there is a human resource planning. This planning is a precursor to the recruitment process which will further lead to the selection of the right manpower, identify and select competent employees to the organization and these employees will be once selected.

So, we will be discussing about what is human resource planning which will include identification or forecasting the manpower needs. Human resource planning is how can we plan for the future needs of organizations and then which follows recruitment that is calling for vacant positions in the organization.

After that there would be a selection process. Then in the selection process we identify and select the right talent for the organization, the person who is selected should be fit to the organization, should be a person fit to the job position also should be fit to the organizations culture.

And, then the person who has been selected after selection there is an orientation; that means, the person is given or is familiarized to the organizations culture, to the positions, to the assignment being given to him and also to the people who are working in the organization. So, it is a kind of a familiarization of the workforce with the existing resources, with the existing position what roles and responsibilities.

And, once the person gets accustomed or is acclimatised to the organization we next move to giving him training, so that he can effectively carry out the task and so provide employees with up to date knowledge skills and competencies. So, this entire process of orientation and training will keep the manpower abreast or will make in to learn about to give him an up to date knowledge about the skills and competencies required, the responsibilities which would be handled by him in the organization.

So, it is a kind of familiarizing the employee with the assignments and giving him a kind of say imparting him the knowledge about the various job positions and after that the person keeps on working and in due course of time his performance is appraised. So, performance management system is the next step in the human resource management process.

Performance management system consists of performance appraisal, joint whole setting and also associating the person's performance with the reward system. So, there is a complete process of performance management system starts with goal setting. What are the goals which the person has to achieve and there is a performance appraisal firm and then there is a continuous evaluation and feedback associated with that.

After that the person's compensation and benefits based on the performance and individual is rewarded or he is given suggestions or feedback. So, then next is carrier development, the promotion.

If there the person performs effectively he would be given a promotion, if there is some correction or there is a gap in the persons performance and the required needs of the organization, then there is a kind of feedback been given or training or the person is retrained so that he can develop his potentials.

So, retain competent and high performing employees. So, in this process of human resource management or the human resource management process, it starts with forecasting the needs of manpower in the organization and ends up with selecting a person who would be effectively carrying out the task in the required position. So, in this process if a person proves to be fit, he remains in organization and who does not appear to be fit leaves the organization.

So, very objective of the process of human resource management or the entire process of human resource management is to retain and competent employees to develop them into high performing employees. This figure shows the human resource management process which comprises of 8 activities. The first activities are human resource planning, recruitment and selection ensures that competent employees are identified and selected.

And, the next two that is orientation and training involves providing employees with up to date; up to date knowledge and skills; the last section comprises of performance management compensation and benefits and career development measures. So, which ensures that organization retains competent and high performing employee. So, what we discussed is there are three parts – first part comprises of activities which ensures competent employees identified identification of competent employees.

The second part involves providing employees with up to date knowledge and skills, the last part consists of or last part emphasises on retaining high performing employees. So, the entire process of human resource management gives us, helps us in identify the right employees, giving them up to date knowledge and skills and retaining high performing individuals.

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The slide is titled "1. HUMAN RESOURCE PLANNING" in a blue header. It contains a bulleted list of definitions and steps. Handwritten red circles and arrows highlight specific parts of the text. One circle is around "right places and at the right times" in the first bullet. Another circle is around "right number and capable people" in the same bullet. A third circle is around "1980" in the second bullet. A fourth circle is around "1990" in the second bullet. Arrows point from the first circle to the second, and from the second to the third and fourth circles.

- *Human Resource Planning (HR planning)* is the process by which managers ensure that they have the right number and capable people in the right places and at the right times
- *HR planning* helps organizations avoid sudden people shortages and surpluses (Sullivan, 2002).
- *HR planning* entails two steps:
 - ☐ *Assessing current human resources*
 - ☐ *Meeting future HR needs*

Let us discuss each one of them in more details. The first part as I discussed human resource planning is the process by which managers ensure that they have the right number and capable people in the right place and at the right time. So, right number and right and capable people in the right time at right place is every important.

I will give you reference of this need for human resource planning. At the time when the banks were nationalised there was a need for manpower and there was recruitment without any without proper manpower planning. People were recruited as and when required and then later on which led to in not only banks, but most of the organizations most of the public sector units in 1980s there was over staffing being reported.

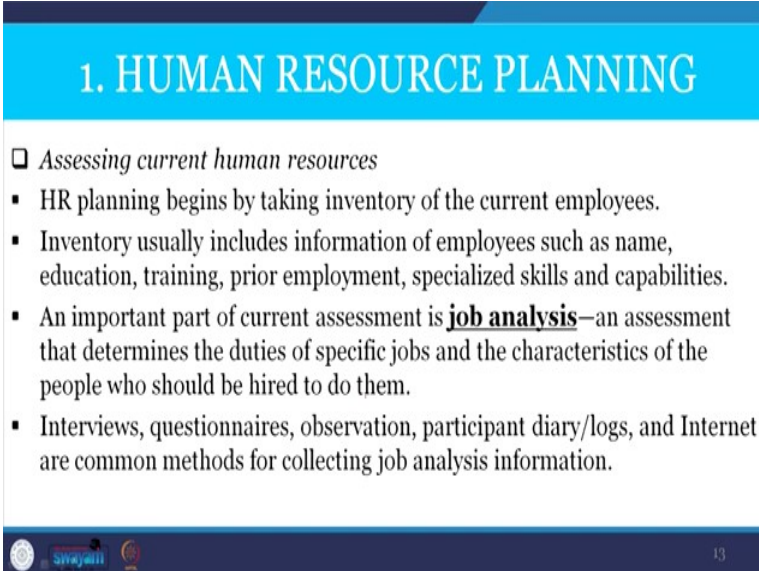
And, over staffing led to decline in performance there was lot of chaos and so, the later on after this policy of 1990s, the organizations realised the importance of reducing the excess manpower through offering various schemes like voluntary retirement schemes.

So, in this process they had reduced after that when the VRS scheme was launched slowly there was emphasis on having later on there was emphasis on having the right manpower the capable or recruiting capable or competent people in the right positions at right time in order to overcome the problems which they had encountered due to over staffing.

So, over staffing will lead to decline in performance over reducing the efficiency of the organization. So, therefore, human resource planning is an important activity, an important process and HR planning helps organizations avoid certain people shortages and also the surpluses. There should not be surplus as well as no shortage.

So, HR planning entails two important steps one is assessing current human resource and meeting future needs of manpower.

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1. HUMAN RESOURCE PLANNING

- *Assessing current human resources*
 - HR planning begins by taking inventory of the current employees.
 - Inventory usually includes information of employees such as name, education, training, prior employment, specialized skills and capabilities.
 - An important part of current assessment is **job analysis**—an assessment that determines the duties of specific jobs and the characteristics of the people who should be hired to do them.
 - Interviews, questionnaires, observation, participant diary/logs, and Internet are common methods for collecting job analysis information.

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Next we will discuss about the what is assessing current human resources. So, in the next section we will discuss in about human resource planning in more details and what I have discussed here? I discussed started the discussion with what is human resource management, what are the factors which have effected staffing functions and what are the important steps, how human resource management started gaining importance right from 1900s.

The HR personnel were not recognized, there was no designation of HR personnel and slowly towards 2000s, human resource started gaining its full importance with being recognized as a proper designation and slowly there is a movement towards strategic human resource management.

And then we discussed about the importance of human resource management and we discussed the human resource management process in more details. The next section, we

will be discussing about the human resource planning function, recruitment, selection and several others like orientation, training, performance management system, the compensation and so on and how does it help an organization to maintain its efficiency and effectiveness.

Thank you.