



Collegedunia NCERT Notes

The Ultimate NCERT Revision Guide for Class 12 Business Studies

Chapter 6: Staffing

What this chapter covers: the staffing function, its importance, the nine-step staffing process, sources of recruitment (internal and external), the eight-step selection procedure, training and development including training methods (on-the-job and off-the-job). Session 2026-27.

Contents

1. Meaning of Staffing

Core Definition

Staffing is the managerial function of filling, and keeping filled, the positions in the organisation structure. It is sometimes called *the human-resource function* because it covers manpower planning, recruitment, selection, placement, orientation, training, appraisal, promotion and compensation.

Place in the management cycle: Planning → Organising → **Staffing** → Directing → Controlling. Planning sets goals, organising creates the structure (empty boxes), and staffing puts the right people into those boxes.

CBSE Definition to Memorise

“Staffing is the process of filling and keeping filled the positions in the organisation structure” – paraphrased from Koontz & O’Donnell. Use this phrase verbatim in 1-mark questions.

2. Importance of Staffing

1. **Discovery of competent personnel.** Scientific recruitment and selection processes help find the right people for each role.
2. **Higher performance.** The right person on the right job produces more output, of better quality, in less time.
3. **Continuous survival and growth.** Vacancies due to retirement, resignation, promotion and transfer are continuously filled.
4. **Optimum utilisation of human resources.** Investment in capital and machinery is wasted if employees are unskilled or under-utilised.
5. **Improves job satisfaction and morale.** Fair recruitment, transparent appraisal and clear career paths keep employees motivated.

Memory Aid - D-P-C-O-M

Discovery, **P**erformance, **C**ontinuity, **O**ptimum use, **M**orale – five reasons staffing matters.

3. Staffing as a Part of HRM

Human Resource Management (HRM) is the part of management that handles staffing. HRM has grown beyond the older “personnel” function to cover nine specialised activities:

1. Recruitment.
2. Job analysis (job description + job specification).
3. Compensation and incentive plans.
4. Training and development.
5. Maintaining union-management relations.
6. Grievance handling.
7. Social security and welfare.
8. Defending the company in lawsuits / legal compliance.
9. Performance appraisal.

4. The Staffing Process (9 Steps)



Brief on each step:

1. **Estimating manpower requirements.** Workload analysis (how much work?) + workforce analysis (who can do it?) reveal vacancies in number and type.
2. **Recruitment.** Search for prospective candidates and stimulate them to apply.
3. **Selection.** Choose the most suitable candidate from the applicant pool.
4. **Placement & orientation.** *Placement* = put on the right job; *orientation* = introduce to the workplace, rules and colleagues.
5. **Training & development.** Skill-building for current job (training) and growth for future role (development).
6. **Performance appraisal.** Evaluate work performance against set standards.
7. **Promotion.** Vertical (upward) movement of an employee into a position of higher rank, responsibility and pay.
8. **Compensation.** Pay, allowances, incentives and perks designed to attract and retain talented employees.
9. **Career planning.** Help the employee plan and execute the journey upward in the organisation – promotional avenues, training roadmaps and long-term growth.

5. Recruitment

Definition

Recruitment is the process of *searching for prospective employees and stimulating them to apply* for jobs in the organisation. It is the *positive* step of staffing – it **widens** the funnel of candidates.

5.1 Sources of Recruitment

Two main families: **Internal** (from within the firm) and **External** (from outside).

Internal sources	External sources
1. Transfers 2. Promotions	1. Direct recruitment (gate hiring) 2. Casual callers (Badli workers) 3. Advertisements (newspaper, web) 4. Employment exchange 5. Placement agencies / management consultants 6. Campus recruitment 7. Recommendations of present employees (referrals) 8. Labour contractors 9. Advertising on television 10. Web publishing / e-recruitment (Naukri, LinkedIn)

5.2 Merits and Demerits of Internal Recruitment

Merits:

- Simpler process, lower cost (no advertising, agency fees).
- Motivates existing employees – visible career growth.
- Promotes loyalty and reduces attrition.
- Familiarity – the firm already knows the employee's strengths.
- Lower training and orientation cost.

Demerits:

- Limits choice – talent pool is restricted to existing employees.
- No fresh ideas; risk of inbreeding.
- One vacancy filled creates another vacancy elsewhere – “chain effect”.
- Cannot work for an entirely new plant or new specialisation.

5.3 Merits and Demerits of External Recruitment

Merits:

- Wider choice – larger applicant pool.
- Fresh talent and new ideas.
- Useful when filling specialised roles or expanding into new fields.
- Spirit of competition – existing employees work harder when external hires arrive.

Demerits:

- Expensive (advertising, agency, relocation).

- Time-consuming.
- Demoralises existing employees who expected promotion.
- New hire takes time to adjust; risk of cultural mis-fit.

Exam Cue

For 4-mark questions, write any 2 merits + 2 demerits, with one-line explanation each. Always keep the table format – examiners scan for the bold headings.

6. Selection (8-Step Procedure)

Definition

Selection is the process of *choosing the most suitable candidate* from the pool of prospective candidates developed at the recruitment stage. It is the *negative* step of staffing – it **narrows** the funnel.

The 8 Stages – Memorise the Order

1. **Preliminary screening.** Reject obviously unsuitable applications.
2. **Selection tests.** Intelligence, aptitude, personality, trade, interest.
3. **Employment interview.** Two-way assessment.
4. **Reference & background check.** Past employer, police verification.
5. **Selection decision.** HR + line manager jointly decide.
6. **Medical examination.** Physical fitness.
7. **Job offer.** Formal appointment letter.
8. **Contract of employment.** Signed agreement: pay, hours, notice period, confidentiality.

Memory Aid – P-T-I-R-S-M-O-C

Preliminary, **T**ests, **I**nterview, **R**eferences, **S**election decision, **M**edical, **O**ffer, **C**ontract.

6.1 Types of Selection Tests

- **Intelligence test** – general learning ability.
- **Aptitude test** – potential to learn a specific skill.
- **Personality test** – traits: extroversion, integrity, conscientiousness.
- **Trade test** – existing technical skill (welding, coding, typing).
- **Interest test** – preferred area of work.

7. Recruitment vs Selection

Basis	Recruitment	Selection
Meaning	Search and attract candidates	Choose the best from applicants
Objective	Enlarge the pool	Narrow the pool
Nature	Positive process	Negative process
Order	First step	Follows recruitment
Outcome	List of applicants	Signed appointment letter
Cost / candidate	Lower	Higher

8. Training and Development

8.1 Three Related Concepts

- **Training.** Any process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased. *Job-oriented, short-term.*
- **Education.** The process of increasing knowledge and understanding. *Person-oriented, theoretical.*
- **Development.** Learning opportunities designed to help employees grow. *Career-oriented, long-term.*

Don't Confuse

Training \neq Development. Training closes *today's* skill gap (operatives, short-term). Development builds *tomorrow's* manager (executives, long-term).

8.2 Benefits of Training

To the organisation:

- Systematic learning – replaces trial-and-error.
- Higher productivity, less wastage and fewer accidents.
- Reduces supervision.
- Faster adaptability to new technology and methods.
- Higher employee morale and retention.

To the individual:

- Improved skills → higher market value.
- Eligible for promotion and higher earnings.
- Higher job satisfaction and confidence.

- Knowledge of safety practices – protects life and limb.

8.3 Training Methods

On-the-job	Off-the-job
1. Apprenticeship programs	1. Classroom lectures / conferences
2. Coaching	2. Films
3. Internship training	3. Case study
4. Job rotation	4. Computer modelling
	5. Vestibule training
	6. Programmed instruction

Key methods explained.

- **Apprenticeship.** Master craftsman teaches an apprentice over a fixed period; the apprentice earns a stipend while learning. Used in skilled trades (electrician, plumber, machinist).
- **Coaching.** A senior employee personally guides the trainee and gives continuous feedback. Used for management-trainee programs.
- **Internship.** Educational institutions partner with industries; students get hands-on experience while finishing the course.
- **Job rotation.** An employee is shifted across departments to gain a wider view of the business.
- **Vestibule training.** Trainees learn on *duplicate* equipment in a separate room – protects live equipment and prevents disruption of regular production.

How TCS Onboards 40,000 Freshers Each Year

Tata Consultancy Services runs a 4-6 month **Initial Learning Programme** at its Trivandrum campus – a blend of vestibule training (simulators), classroom lectures and project-based internships – before placing the fresher on a client project. This is a textbook example of *off-the-job* + *on-the-job* blended training at industrial scale.

9. Key Differences Summary Table

Basis	Training	Development
Focus	Specific job-related skills	Overall growth of employee
Time horizon	Short-term	Long-term
For whom	Mostly operatives	Mostly managers
Aim	Current job performance	Future responsibilities
Nature	Reactive (fix today's gap)	Proactive (build tomorrow's capability)

10. Quick Recap – Exam-Ready Summary

10-Point Cheat Sheet

1. Staffing = filling *and keeping filled* the positions in the org-chart.
2. 5 importance points = D-P-C-O-M (Discovery, Performance, Continuity, Optimum use, Morale).
3. 9-step staffing cycle = Estimate → Recruit → Select → Place & orient → Train → Appraise → Promote → Compensate → Career.
4. HRM has 9 specialised activities.
5. Recruitment = positive (widen pool); selection = negative (narrow pool).
6. Internal sources = transfers + promotions; everything else is external.
7. Web publishing / e-recruitment = naukri.com etc., external source.
8. Selection has 8 steps – mnemonic P-T-I-R-S-M-O-C.
9. Vestibule training = train on *duplicate* equipment in a separate room.
10. Training closes today's skill gap; development builds tomorrow's manager.

CBSE Tip

Case studies almost always test **recruitment source** (internal vs external; specific sub-source like casual callers or web publishing) or **element of directing/staffing** (training vs motivation). Spot the keyword: “unable” ⇒ training; “unwilling” ⇒ motivation; “urgent + temporary” ⇒ casual callers; “senior professionals” ⇒ web publishing.

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