



Collegedunia NCERT Solutions

Step-by-step solutions, alternate methods & exam tips for Class 12 Business Studies

Chapter 6: Staffing

About this Chapter

Chapter 6 of Class 12 Business Studies, **Staffing**, treats human resource as the second function of management. It defines staffing, its importance, and the staffing process – estimating requirements, recruitment (internal and external), selection (eight-step process), placement, orientation, training & development, performance appraisal, promotion, compensation and career planning. The chapter also distinguishes training from development and education, and compares on-the-job and off-the-job training methods. Solutions for 2026-27 follow NCERT Reprint 2026-27.

Topics covered: Meaning of staffing • Staffing process • Recruitment (internal & external) • Selection process • Training methods • Training vs development

Quick Formula Sheet

Staffing process (9 steps):

Estimate → Recruit → Select → Place & orient → Train & develop → Appraise → Promote/transfer → Compensate → Career

Selection (8 stages):

Preliminary screening → Tests → Employment interview → Reference & background → Selection decision → Medical → Job offer → Contract of employment

Training methods:

On-the-job: Apprenticeship, Coaching, Internship, Job rotation
Off-the-job: Vestibule, Conference, Case study, Films, Computer modelling, Programmed instruction

Very Short Answer Type Questions

Q 6.1 What is meant by staffing?

SOLUTION

Concept used. **Staffing** is the managerial function that fills (and keeps filled) the positions in the organisation structure. It is sometimes called the *human resource* function and is the second function of management after planning and organising.

Step 1. Definition. Staffing is the process of identifying the human-resource requirements of an organisation, attracting suitable candidates, choosing the right person for the right job, and then developing them so the organisation achieves its goals.

Step 2. Place in the management cycle. Planning identifies goals, organising creates the structure (roles), and staffing fills those roles with competent people.

Step 3. Continuous activity. Staffing is not a one-time activity; people retire, leave, get promoted or transferred, and the organisation grows – so vacancies arise continuously.

Step 4. Scope. Includes manpower planning, recruitment, selection, placement, orientation, training, performance appraisal, promotion, compensation and career planning.

Final Answer: Staffing is the management function of filling, and keeping filled, the positions in the organisation structure – by estimating manpower needs, recruiting, selecting, placing, training, appraising and compensating employees.

Exam Tip

The single-line CBSE definition you should memorise: “*Staffing is the process of filling and keeping filled the positions in the organisation structure.*” It is paraphrased from Koontz & O’Donnell – one of the most-quoted definitions in the NCERT.

EXPERT’S SOLUTION : Aarav Sharma, M.Com, Delhi University

Quick reading. Staffing = “right person, right job, right time”. It is a managerial function (not just an HR-department function) because every manager hires, trains and appraises people in their unit.

Step 1. Staffing fills the boxes that the organisation-chart created.

Step 2. It runs continuously because vacancies are continuous.

Step 3. Every manager is, in part, an HR manager.

Final Answer: Staffing = the management function of putting the right people in the right jobs at the right time, on a continuous basis.

Q 6.2 State the two important sources of recruitment.**SOLUTION**

Concept used. **Recruitment** is the process of *searching for prospective employees and stimulating them to apply* for jobs in the organisation. Vacancies can be filled either from inside the organisation or from outside.

Step 1. Internal sources. Filling a vacancy from within the existing employees of the organisation. Two main forms:

- *Transfers* – horizontal movement of an employee from one job to a similar job in another department/location, without any change in rank or pay.
- *Promotions* – vertical (upward) movement, with higher rank, more responsibility and higher pay.

Step 2. External sources. Filling a vacancy by attracting candidates from outside the organisation. Common channels include direct recruitment, casual callers, advertisements, employment exchanges, placement agencies, campus recruitment, web publishing, labour contractors and recommendations of present employees.

Final Answer: The two important sources of recruitment are **internal sources** (transfers and promotions) and **external sources** (advertisements, campus recruitment, placement agencies, employment exchanges, etc.).

EXPERT'S SOLUTION : Priya Iyer, M.Com, Christ University Bangalore

Quick reading. Two doors to fill a vacancy – the door *inside* the company and the door *outside* the company.

Step 1. Inside door = *internal* = transfers + promotions. Cheap, motivating, but the organisation gets no new blood.

Step 2. Outside door = *external* = advertisements, campus, agencies. Expensive, slower, but brings new ideas and a wider talent pool.

Final Answer: Internal sources (transfers, promotions) and external sources (ads, campus, agencies).

Q 6.3 The workers of a factory are unable to work on new machines and always demand for help of supervisor. The Supervisor is overburdened with their frequent calls. Suggest the remedy. (Hint: training)

SOLUTION

Concept used. The situation is a classic case where employees lack the *skills* needed to operate new technology – the remedy is **training**. Training is any process by which the aptitudes, skills and abilities of employees to perform specific jobs are increased.

Step 1. Diagnose. Workers don't know the new machines ⇒ skill gap. The symptom (frequent calls to the supervisor) is a productivity drain, not a discipline issue.

Step 2. Prescribe training. Conduct a structured training programme on the new machines.

Step 3. Choose method. Since the equipment is right there on the shop floor, the most appropriate methods are *on-the-job* methods – specifically *coaching* (a senior demonstrates and the trainee performs under supervision) and *apprenticeship / job rotation*.

Step 4. Benefits this delivers. Output rises, mistakes fall, the supervisor is freed for managerial work, and workers gain confidence and earning potential.

Final Answer: The remedy is to organise an on-the-job **training programme** – coaching and apprenticeship on the new machines – so workers acquire the skills, the supervisor is no longer overburdened, and productivity rises.

Exam Tip

Spotter words: “unable to work on new machines” or “lack of knowledge of hi-tech” ⇒ the question is testing whether you can name *training* as the staffing-process step.

EXPERT'S SOLUTION : Vivaan Mehta, M.Com, Symbiosis Pune

Quick reading. New machine + frequent help ⇒ skill gap ⇒ training.

Step 1. Identify training need (new technology).

Step 2. Pick on-the-job method (coaching) – machines are already on site.

Step 3. Result: supervisor relieved; productivity restored.

Final Answer: Conduct on-the-job training (coaching/apprenticeship) on the new machines.

Q 6.4 The quality of production is not as per standards. On investigation it was observed that most of the workers were not fully aware of the proper operation of the machinery. What could be the way to improve the quality of production to meet the

standards? (training)

SOLUTION

Concept used. Quality defect traced back to a knowledge gap on machine operation \Rightarrow the right management response is **training**. Training raises specific job-related skills so that work is performed to standard.

Step 1. Root cause. Workers \neq aware of proper machine operation \Rightarrow skill gap, not a motivation gap.

Step 2. Choose intervention. Train workers on the standard operating procedure (SOP) of each machine. Demonstrate, then have them perform under supervision.

Step 3. Method. Use *on-the-job* training (coaching, apprenticeship). If errors are likely to damage costly machines, switch to *vestibule training* – workers practise on duplicate equipment in a separate training room before being put on the live shop floor.

Step 4. Outcomes. Higher first-pass yield, lower rework/wastage, fewer customer complaints, lower per-unit cost.

Final Answer: Conduct a structured **training programme** (on-the-job or vestibule) on the proper operation of machinery; this closes the skill gap and brings production back to quality standards.

EXPERT'S SOLUTION : Aanya Kapoor, M.Com, BHU Varanasi

Quick reading. Quality defect \rightarrow skill gap \rightarrow training – same pattern as Q3 but the fix targets quality rather than supervisor load.

Step 1. Standardise SOPs.

Step 2. Train workers on those SOPs (on-the-job/vestibule).

Step 3. Re-measure quality after training.

Final Answer: Train workers on machine SOPs – on-the-job or vestibule – to restore standards.

Q 6.5 The workers of a factory remain idle because of lack of knowledge of hi-tech machines. Frequent visit of engineer is made which causes high overhead charges. How can this problem be removed. (vestibule training)

SOLUTION

Concept used. The right answer is **vestibule training**. Vestibule training is an *off-the-job* method in which trainees learn on equipment that is a replica of the actual production equipment, kept in a separate room (the “vestibule”). It is used when training on live equipment would be unsafe, costly or would disrupt regular production.

Step 1. Why not on-the-job here? The machines are hi-tech, mistakes are expensive, and engineers have to be called repeatedly – so disruption is *the problem*.

Step 2. Set up a vestibule. Install duplicate (or simulator-based) hi-tech machines in a separate training room.

Step 3. Train. Workers learn and make mistakes on the duplicate machine without halting production or risking the live machine.

Step 4. Deploy. Once certified, workers move to the actual shop floor. Engineer visits drop sharply; overhead falls.

Final Answer: Set up **vestibule training** – train workers on duplicate hi-tech machines in a separate training room – so the live shop floor is not disrupted, the engineer’s overhead is cut, and idle time vanishes.

Exam Tip

Vestibule is the keyword to memorise: it means a small entrance room. In training, it is a “mini-shop floor” where the practice happens before the real shop floor.

EXPERT’S SOLUTION : Karan Joshi, M.Com, BHU Varanasi

Quick reading. Hi-tech machines + costly engineer calls ⇒ train workers *off* the live machine ⇒ vestibule.

Step 1. Build a duplicate machine training bay.

Step 2. Run a vestibule programme.

Step 3. Move certified workers to the line.

Final Answer: Vestibule training on duplicate machines kept in a separate training room.

Short Answer Type Questions

Q 6.6 What is meant by recruitment? How is it different from selection?

SOLUTION

Concept used. **Recruitment** is the process of *searching for prospective employees and stimulating them to apply* for jobs. **Selection** is the process of *choosing* from among the pool of prospective job candidates developed at the recruitment stage.

Step 1. Recruitment – meaning. Identify vacancies, then attract a large enough pool of suitable candidates through internal sources (transfers, promotions) or external sources (advertisements, campus, agencies, employment exchange, web).

Step 2. Selection – meaning. From that pool, screen and shortlist the best-fit candidate through preliminary screening, tests, interview, reference check, medical exam, and finally the job offer and contract.

Step 3. Key differences.

- **Objective:** Recruitment seeks to *enlarge* the pool of applicants. Selection seeks to *narrow down* the pool to one candidate per vacancy.
- **Nature:** Recruitment is a *positive* process (encourages people to apply). Selection is a *negative* process (rejects unsuitable applicants).
- **Order:** Recruitment comes first; selection comes after.
- **Outcome:** Recruitment yields a list of applicants; selection yields a signed appointment letter.
- **Cost:** Recruitment is relatively less expensive per candidate; selection is more expensive per candidate because of multiple stages.

Final Answer: Recruitment is the search for, and attraction of, prospective candidates (a positive, enlarging process). Selection is the screening and final choice of one candidate (a negative, narrowing process). Recruitment precedes selection.

Exam Tip

Memory hook – Recruitment = Reaching out; Selection = Sifting through.

EXPERT'S SOLUTION : Aarav Sharma, M.Com, Delhi University

Quick reading. Recruitment opens the funnel; selection closes the funnel.

Step 1. Recruitment: attract many.

Step 2. Selection: choose one.

Step 3. Recruitment is positive; selection is negative.

Final Answer: Recruitment = attract pool. Selection = pick from pool.

Q 6.7 An organisation provides security services. It requires such candidates who are reliable and don't leak out the secrets of their clients. What steps should be incorporated in selection process?

SOLUTION

Concept used. For a security-services firm, the two non-negotiable traits in the **selection process** are *reliability* (will the person reliably do the job?) and *integrity / confidentiality* (will the person leak client secrets?). The selection process must therefore lean heavily on stages that test these two traits.

- Step 1. Preliminary screening.** Reject CVs with frequent job changes (low reliability) or any record of breach of trust.
- Step 2. Personality test.** Use a standardised personality test to measure conscientiousness, integrity and emotional stability.
- Step 3. Interest test.** Confirm the candidate genuinely wants a career in security services (rather than treating it as a stop-gap).
- Step 4. Aptitude / trade test.** Test the specific skills – handling firearms, surveillance equipment, first aid, basic self-defence.
- Step 5. Employment interview.** Probe situational judgement – “what would you do if a client asked you to look the other way?”
- Step 6. Reference and background check. This is the most critical stage for this firm.** Verify (i) past employers' opinions on integrity, (ii) police clearance / criminal record check, (iii) verification of addresses and educational certificates.
- Step 7. Medical examination.** Confirm physical fitness for guard duties.
- Step 8. Job offer with bond.** Issue an appointment letter that includes a strict *confidentiality clause / non-disclosure undertaking* as part of the contract of employment.

Final Answer: For a security firm, the selection process must give special weight to **personality tests** (integrity), **reference and background checks** (police clearance and prior-employer verification), and a written **confidentiality clause** in the contract of employment.

Exam Tip

In CBSE case studies, identify the *specific trait* the firm needs (here: reliability + confidentiality) and then pick the selection stages that test that trait – don't list every stage mechanically.

EXPERT'S SOLUTION : Vivaan Mehta, M.Com, Symbiosis Pune

Quick reading. Reliability + secrecy \Rightarrow personality test + reference check + confidentiality clause.

Step 1. Personality test for integrity.

Step 2. Police clearance + prior-employer reference check.

Step 3. Confidentiality bond in the contract.

Final Answer: Personality test, background & police check, and a confidentiality clause in the contract.

Q 6.8 A company is manufacturing paper plates and bowls. It produces 1,00,000 plates and bowls each day. Due to local festival, it got an urgent order of extra 50,000 plates and bowls. Explain the method of recruitment that the company should adopt in the given circumstances to meet the order.

SOLUTION

Concept used. The need is for a *short, sharp, low-skill* surge in manpower – 50,000 extra units for a local festival. The best fit is **casual callers** (sometimes called *badli* workers) or *labour contractors*, both being external sources of recruitment.

Step 1. Why not internal sources? Transfers/promotions only redistribute existing workers; total manpower stays the same. The surge needs *more* workers, not the same workers re-shuffled.

Step 2. Why not advertisements/campus/agencies? These are slow (weeks of lead time) and suited to permanent positions, not a one-off festival surge.

Step 3. Why casual callers / labour contractors?

- *Casual callers* are people who visit the company's gate on their own seeking temporary work; the company maintains a list and calls them when surge demand arises.
- A *labour contractor* (an external middleman) supplies a pool of unskilled or semi-skilled workers on a short-term basis.

Step 4. Fit with the situation.

- Demand is *temporary* (a few days around the festival).
- Skill needed is *low* (paper plate / bowl production).
- Lead time is *very short* (urgent order).
- Cost must be *low* (festival margins are thin).

Final Answer: The company should use **casual callers** (or a **labour contractor**) – an external source of recruitment that delivers temporary, low-skill workers immediately at low cost, exactly what a one-off festival surge requires.

EXPERT'S SOLUTION : Priya Iyer, M.Com, Christ University Bangalore

Quick reading. Urgent + temporary + low-skill = casual callers / labour contractor.

Step 1. Pool of casual callers already at the gate.

Step 2. Or, contact a labour contractor for a temporary batch.

Step 3. Pay piece-rate / daily wage; release after festival.

Final Answer: Casual callers or labour contractor (external sources).

Q 6.9 Distinguish between training and development.

SOLUTION

Concept used. **Training** and **development** are both methods of improving employee capabilities, but they differ in scope, time-horizon, target group and purpose. Both are part of the wider concept of *learning*, alongside *education*.

Step 1. Training – meaning. Any process by which the *aptitudes, skills and abilities* of employees to perform specific jobs are increased. Training is *job-oriented*.

Step 2. Development – meaning. Learning opportunities designed to help employees *grow as individuals*; development is *career-oriented* and prepares the employee for future responsibilities, not just the current job.

Step 3. Differences (memorise this table).

Basis	Training	Development
Focus	Specific job-related skills	Overall growth of the employee
Time horizon	Short-term	Long-term
Aimed at	Mostly non-managerial / operative staff	Mostly managerial / executive staff
Purpose	Improve performance on <i>current</i> job	Prepare for <i>future</i> responsibilities
Nature	Reactive (closes a present skill gap)	Proactive (builds future capability)
Initiated by	The organisation, for the job	The employee, for self-growth (org-supported)

Final Answer: Training is short-term, job-specific skill-building (mainly for operatives) to improve performance on the current role. Development is long-term, career-wide growth (mainly for managers) to prepare for future responsibilities.

EXPERT'S SOLUTION : Aanya Kapoor, M.Com, BHU Varanasi

Quick reading. Training closes *today's* gap; development builds *tomorrow's* manager.

Step 1. Training = current job, short-term, operative-heavy.

Step 2. Development = career, long-term, manager-heavy.

Step 3. Education = general knowledge, broader still.

Final Answer: Training = job + short-term + skill. Development = career + long-term + growth.

Q 6.10 Why are internal sources of recruitment considered to be more economical?

SOLUTION

Concept used. **Internal sources of recruitment** (transfers and promotions) draw candidates from within the existing employee pool. Several cost components of external recruitment are either eliminated or sharply reduced when the source is internal – hence *economical*.

Step 1. No advertising cost. External recruitment requires newspaper ads, online job-board listings, placement-agency fees, or campus-visit costs. Internal

recruitment uses a notice board or an HR-portal posting – effectively free.

- Step 2. Lower selection cost per hire.** The HR department already has the appraisal record, attendance, skill profile and training history of internal candidates, so fewer selection stages are needed.
- Step 3. Reduced induction & orientation cost.** An internal candidate already knows the organisation's rules, culture, products and people – the lengthy orientation programme used for outsiders is unnecessary.
- Step 4. Lower training cost.** The employee already has firm-specific knowledge; only the incremental skills needed for the new role have to be taught.
- Step 5. No relocation / joining bonus.** Internal candidates are already on the payroll; no joining bonus, relocation allowance, or notice-period buyout has to be paid.
- Step 6. Higher productivity from day one.** An external hire takes weeks or months to reach full productivity; an internal hire is productive almost immediately, reducing the *opportunity cost* of the vacancy.
- Step 7. Motivational spill-over.** Other employees see internal promotions and stay motivated, reducing the *attrition cost* the firm would otherwise pay.

Final Answer: Internal recruitment is more economical because it eliminates advertising, agency, relocation and joining-bonus costs; reduces selection, orientation and training costs; and delivers productivity from day one – while also lowering attrition.

EXPERT'S SOLUTION : Karan Joshi, M.Com, BHU Varanasi

Quick reading. Five cost heads avoided: advertising, agency, orientation, training, relocation.

- Step 1.** No external advertising / agency fee.
- Step 2.** Shorter selection & orientation cycle.
- Step 3.** Day-one productivity.

Final Answer: No ad/agency fee, minimal orientation, no joining bonus – so internal sources are cheaper.

Q 6.11 'No organisation can be successful unless it fills and keeps the various positions filled with the right kind of people for the right job.' Elucidate

SOLUTION

Concept used. This is a re-statement of the famous **importance of staffing**: the organisation structure (the org-chart) is just a set of empty boxes until staffing fills each box with a competent person. People are the only resource that uses every other resource; getting staffing right is therefore the single biggest determinant of organisational success.

Step 1. Discovery of competent personnel. Staffing helps the organisation find the right kind of people for each job – through scientific selection.

Step 2. Higher performance. The right person on the right job produces more output, of higher quality, in less time.

Step 3. Continuous survival and growth. Vacancies due to retirement, resignation, death or promotion are continuously filled, so the work of the organisation never stalls.

Step 4. Optimum utilisation of human resources. Costly investment in machines and money is wasted if employees are unskilled or under-utilised. Good staffing matches each person to the job that uses their skills best.

Step 5. Improves job satisfaction and morale. Fair recruitment, transparent appraisal, and clear career paths keep employees motivated.

Step 6. Reduces cost. Good staffing reduces hiring errors, absenteeism, turnover, accidents and rework – all of which inflate costs.

Step 7. Competitive advantage. Competitors can copy machinery, but they cannot copy a committed, skilled workforce. People remain the most durable source of competitive advantage.

Final Answer: The statement is true because every other resource – money, machines, materials, methods – is mobilised by people. By filling each position with the right person, staffing ensures higher productivity, lower cost, employee satisfaction, continuous growth and lasting competitive advantage.

Exam Tip

A 4-mark answer asks for any **4 points**; a 6-mark answer asks for **6 points**. Always *name the heading in bold* and then explain in one sentence – examiners scan the bold heads first.

EXPERT'S SOLUTION : Aarav Sharma, M.Com, Delhi University

Quick reading. The org-chart is empty boxes; staffing fills them; therefore staffing is the bottleneck for every other function.

- Step 1.** Right people \Rightarrow higher performance.
- Step 2.** Continuous filling \Rightarrow continuous operations.
- Step 3.** Skilled people \Rightarrow all other resources used well.
- Step 4.** People are uncopyable \Rightarrow lasting advantage.

Final Answer: Staffing turns an empty org-chart into a working organisation; without it, every other function stalls.

Long Answer Type Questions

Q 6.12 'Human resource management includes many specialized activities and duties.' Explain.

SOLUTION

Concept used. **Human Resource Management (HRM)** is the part of management responsible for staffing – it has evolved from a simple personnel function into a large set of specialised activities. The NCERT lists the following specialised activities and duties of HRM.

- Step 1. Recruitment.** Searching for qualified candidates and stimulating them to apply for jobs in the organisation.
- Step 2. Analysing jobs.** Collecting information about each job (job analysis) so as to write the *job description* (duties) and the *job specification* (skills required).
- Step 3. Developing compensation and incentive plans.** Designing pay structures, allowances, bonuses, ESOPs, gratuity, PF and incentive systems that attract and retain talent.
- Step 4. Training and development.** Running induction programmes for new hires and continuous skill upgrades for existing staff (on-the-job + off-the-job methods).
- Step 5. Maintaining labour relations and union-management relations.** Negotiating with unions, handling collective bargaining, dispute resolution, and ensuring industrial peace.
- Step 6. Handling grievances and complaints.** Operating a formal grievance redressal machinery – a written grievance procedure, suggestion box, open-door policy.
- Step 7. Providing for social security and welfare of employees.** Statutory schemes (PF, ESI, gratuity, maternity leave) and voluntary welfare measures (canteen,

transport, medical insurance, housing).

Step 8. Defending the company in lawsuits and avoiding legal complications.

Compliance with the Factories Act, Industrial Disputes Act, Payment of Wages Act, Equal Remuneration Act, etc.; defending labour-court cases.

Step 9. Performance appraisal. Continuously evaluating each employee against expected performance; using the result for promotion, transfer, training, and compensation decisions.

Final Answer: HRM is no longer a single function but a basket of nine specialised activities: recruitment, job analysis, compensation design, training & development, labour relations, grievance handling, social security & welfare, legal defence, and performance appraisal. This is why the statement – that HRM includes many specialised activities and duties – is true.

 **Exam Tip**

For a 5-6 mark CBSE answer, write any *five* specialised activities, each with a one-sentence explanation. Pad to seven for an 8-mark answer.

EXPERT'S SOLUTION : Priya Iyer, M.Com, Christ University Bangalore

Quick reading. HRM = recruitment + job analysis + pay design + training + labour relations + grievances + welfare + legal + appraisal.

Step 1. Recruitment, analysis of jobs, compensation design.

Step 2. Training, labour relations, grievance handling.

Step 3. Welfare, legal defence, performance appraisal.

Final Answer: HRM spans nine specialised activities, from recruitment to performance appraisal.

Q 6.13 Explain the procedure for selection of employees.

SOLUTION

Concept used. **Selection** is the process of choosing the most suitable candidate from the pool of applicants developed at the recruitment stage. The NCERT prescribes a standard **eight-step procedure**.

- Step 1. Step 1 – Preliminary screening.** The HR team scans the application forms to eliminate candidates who clearly do not meet the minimum requirements (qualification, age, location). This shortens the queue for the more expensive next stages.
- Step 2. Step 2 – Selection tests.** Candidates who clear screening are given one or more of these standardised tests:
- *Intelligence test* – measures the candidate’s general learning ability.
 - *Aptitude test* – measures the potential to learn a new skill.
 - *Personality test* – profiles traits like extroversion, conscientiousness, integrity (used for sales / security / banking roles).
 - *Trade test* – measures existing skill in a specific trade (typing, welding, coding).
 - *Interest test* – measures the candidate’s preferred area of work.
- Step 3. Step 3 – Employment interview.** A formal in-depth conversation. The interviewer assesses communication, knowledge, attitude, and cultural fit. The interviewee assesses whether the company is the right place for him/her.
- Step 4. Step 4 – Reference and background checks.** Past employers, teachers, or other referees are contacted to verify the candidate’s claims and to gather an external opinion on integrity and reliability. Police verification is increasingly common.
- Step 5. Step 5 – Selection decision.** The shortlist of interviewed candidates is reviewed by the line manager who will actually employ the new recruit; the final selection decision is taken jointly by HR and the line manager.
- Step 6. Step 6 – Medical examination.** The candidate goes through a medical examination to ensure physical fitness for the job. This protects the company from future absenteeism and complies with statutory requirements.
- Step 7. Step 7 – Job offer.** An appointment letter is sent stating the date of joining, designation, salary, location and terms. The candidate either accepts or negotiates.
- Step 8. Step 8 – Contract of employment.** On joining, the employee signs a formal contract of employment that lists job title, pay, working hours, leave entitlements, notice period, and – where applicable – confidentiality and non-compete clauses.

Final Answer: The eight-step selection procedure is: (1) Preliminary screening, (2) Selection tests, (3) Employment interview, (4) Reference & background checks, (5) Selection decision, (6) Medical examination, (7) Job offer, (8) Contract of employment.

Exam Tip

Memorise the order by the mnemonic **P-T-I-R-S-M-O-C** (Preliminary, Tests, Interview, References, Selection decision, Medical, Offer, Contract).

EXPERT'S SOLUTION : Vivaan Mehta, M.Com, Symbiosis Pune

Quick reading. Eight stages, in order: screen → test → interview → refs → decide → medical → offer → contract.

Step 1. Screen weak applications out.

Step 2. Tests + interview filter for fit.

Step 3. References, medical, offer, contract close the loop.

Final Answer: Selection runs through 8 stages from preliminary screening to signed contract of employment.

Q 6.14 What are the advantages of training to the individual and to the organisation?

SOLUTION

Concept used. **Training** delivers benefits on two sides of the employment relationship – the *individual* (the employee) gets career-advancing skills; the *organisation* gets productivity and stability.

Step 1. Advantages to the organisation.

- *Systematic learning.* Training imparts skills in a planned way – far better than trial-and-error learning on the job.
- *Higher productivity.* Trained workers produce more, with better quality, in less time.
- *Reduced supervision.* Trained workers handle their own tasks; the supervisor is freed for higher-value managerial work.
- *Reduced accidents and wastage.* Workers who know SOPs and safe practices

damage less material and have fewer industrial accidents.

- *Adaptability.* A trained workforce adapts faster to new machines, methods or markets – crucial in today’s fast-changing environment.
- *Employee morale and retention.* Employees see that the company invests in them; they reciprocate with loyalty.

Step 2. Advantages to the individual.

- *Improved skills and knowledge.* Training adds to the employee’s market value.
- *Better career growth.* Trained employees become eligible for promotion and transfer to better positions.
- *Higher earnings.* Improved skills translate into bonuses, increments and higher base pay.
- *Increased efficiency.* Better methods, less effort – same output achieved with less stress.
- *Higher morale and job satisfaction.* A confident employee enjoys the job and handles pressure better.
- *Safety.* Knowledge of safety procedures protects life and limb.

Final Answer: Training benefits the **organisation** through systematic learning, higher productivity, less supervision, fewer accidents, faster adaptability and better morale; and it benefits the **individual** through better skills, career growth, higher earnings, improved efficiency, job satisfaction and personal safety.

Exam Tip

CBSE often asks “benefits of training” *without* specifying the side – always write a two-column answer (organisation column + individual column). Examiners reward the split.

EXPERT’S SOLUTION : Aanya Kapoor, M.Com, BHU Varanasi

Quick reading. Six benefits each side – write three from each for a quick 4-mark answer.

Step 1. Organisation: productivity, less supervision, adaptability, fewer accidents, morale.

Step 2. Individual: market value, career growth, higher pay, safety, satisfaction.

Final Answer: Org wins productivity; individual wins career growth – training is a positive-sum investment.

Q 6.15 Kaul Consultants have launched www.naukaripao.com exclusively for senior management professionals. The portal lists out senior level jobs and ensures that the job is genuine through rigorous screening process.

- a. State the source of recruitment highlighted in the case above.
- b. State four benefits of the above identified source of recruitment.

SOLUTION

Concept used. The case describes a recruitment channel that uses the internet to publish job openings – this is the **web publishing / e-recruitment** source, a sub-category of *external* sources of recruitment.

Step 1. (a) Source identified. Web Publishing (also called *online recruitment* or *e-recruitment*). Sites like naukri.com, monsterindia.com, linkedin.com and the case's [naukaripao.com](http://www.naukaripao.com) fall in this category.

Step 2. (b) Four benefits.

- *Wide reach.* A job listed on a portal is visible across the country (and often globally) at no extra cost per applicant.
- *Fast.* The vacancy is live within minutes; applications start arriving the same day. Newspaper ads take days.
- *Cost-effective.* Per-applicant cost is a fraction of newspaper, agency or campus recruitment.
- *Convenient for both sides.* The company posts and screens from its office; candidates apply from home in their own time, no travel.
- *Quality of pool.* Niche portals (like the case's senior-level [naukaripao.com](http://www.naukaripao.com)) auto-filter for senior, experienced candidates and pre-screen for genuineness – raising shortlist quality.

Final Answer: (a) **Web Publishing / e-recruitment** (an external source). (b) Four benefits – *wide reach, speed, low cost per applicant, convenience for both candidate and recruiter*, and (especially for niche portals) *higher pre-screened quality* of the applicant pool.

EXPERT'S SOLUTION : Karan Joshi, M.Com, BHU Varanasi

Quick reading. Naukaripao.com ⇒ web publishing ⇒ wide, fast, cheap, convenient, quality pre-filtered.

Step 1. Source: e-recruitment / web publishing (external).

Step 2. Pick any four benefits from: reach, speed, cost, convenience, quality.

Final Answer: Web Publishing; four benefits = wide reach, speed, low cost, convenience.

Q 6.16 A company, Xylo limited, is setting up a new plant in India for manufacturing auto components. India is a highly competitive and cost effective production base in this sector. Many reputed car manufacturers source their auto components from here. Xylo limited is planning to capture about 40% of the market share in India and also export to the tune of at least Rs. 50 crores in about 2 years of its planned operations. To achieve these targets it requires a highly trained and motivated work force. You have been retained by the company to advise it in this matter. While giving answers keep in mind the sector the company is operating.

- a. Outline the process of staffing the company should follow.
- b. Which sources of recruitment the company should rely upon. Give reasons for your recommendation.
- c. Outline the process of selection the company should follow with reasons.

SOLUTION

Concept used. Xylo Ltd. is in the *auto-components* sector – precision manufacturing, exporting to global OEMs, ambitious market share. Staffing has to be *technically rigorous* and *fast*.

Step 1. (a) Staffing process Xylo should follow (9 steps).

1. *Estimating manpower requirements.* How many engineers, supervisors, operators, quality inspectors, exports/logistics staff are needed for the 40% market-share + Rs. 50 cr export plan over 2 years?
2. *Recruitment.* Open the recruitment funnel from both internal and (mostly) external sources.
3. *Selection.* Eight-step selection procedure, with emphasis on trade test and personality.
4. *Placement & orientation.* Place each selected worker on the right machine / line; orient them on company rules, plant layout, safety.
5. *Training & development.* On-the-job + vestibule training; periodic upgrades on new auto-component technologies (EV, ADAS).
6. *Performance appraisal.* Quarterly evaluation against output, quality, attendance, safety.
7. *Promotion & career planning.* Build a visible promotion ladder to retain trained workers.

8. *Compensation*. Competitive pay + production-linked incentives + statutory benefits (PF, ESI, gratuity).
9. *Continuous monitoring*. Re-do steps as plant ramps up.

Step 2. (b) Recommended sources of recruitment.

- *Campus recruitment* from polytechnics and engineering colleges – guaranteed supply of fresh, trainable engineers and diploma-holders.
- *Placement agencies / management consultants* – for senior management and niche technical hires (plant head, quality head, exports head).
- *Direct recruitment at the factory gate* for skilled operators and unskilled helpers.
- *Advertisements* (national newspapers + online portals like naukri.com) – wide reach for middle-management positions.
- *Web publishing / e-recruitment* – cheap, fast, suited to a tight 2-year ramp-up.
- *Employment exchange* – statutory route for filling lower-skilled vacancies.
- *Recommendations of present employees* – referral hiring is fast and the referrer vouches for quality.

Reason. Xylo is a new plant with no internal employees to transfer or promote – so almost the entire opening hire has to come from external sources. Campus + agencies + ads is the right mix for the auto-components sector.

Step 3. (c) Selection process recommended.

1. *Preliminary screening* of applications against the auto-components job-spec.
2. *Tests* – emphasis on **aptitude** (mechanical), **trade test** (use of CNC, lathes, measuring instruments) and **intelligence**.
3. *Employment interview* – by line managers + HR + a representative from the technical centre.
4. *Reference & background checks* – to verify employment history and technical credentials (critical for exports certifications like ISO/TS 16949).
5. *Selection decision* by HR + plant head.
6. *Medical examination* – mandatory because workers will operate heavy machinery; vision and hearing tests for inspectors.
7. *Job offer*.
8. *Contract of employment* including a confidentiality clause (auto components has client-design IP) and a service bond for senior engineers.

Reason. Auto components is a precision, export-grade industry – every selection stage that filters for skill (tests, trade test), reliability (references) and physical fitness (medical) is essential.

Final Answer: (a) Run the 9-step staffing cycle from manpower estimate to compensation. (b) Use external sources – campus, agencies, ads, web publishing, gate recruitment, employee referrals – because a greenfield plant has no internal pool. (c) Follow the standard 8-step selection, emphasising aptitude + trade tests and confidentiality & bond clauses in the contract, because auto components is a precision, export-grade industry.

EXPERT'S SOLUTION : Aarav Sharma, M.Com, Delhi University

Quick reading. New plant + auto-components + 2-yr ramp ⇒ heavy external recruitment + technical selection.

Step 1. Staffing cycle: 9 standard steps, calibrated to a ramp-up.

Step 2. Sources: campus + agencies + ads + direct gate; almost all external.

Step 3. Selection: full 8 steps with aptitude/trade-test emphasis.

Final Answer: Greenfield plant ⇒ external sources; precision industry ⇒ trade-test-heavy selection; export ambition ⇒ confidentiality + bond.

Q 6.17 A major insurance company handled all recruiting, screening and training processes for data entry/customer service representatives. Their competitor was attracting most of the qualified, potential employees in their market. Recruiting was made even more difficult by the strong economy and the 'jobseeker's market.' This resulted in the client having to choose from candidates who had the 'soft' skills needed for the job, but lacked the proper 'hard' skills and training.

- As an HR manager what problems do you see in the company?
- How do you think it can be resolved and what would be its impact on the company?

SOLUTION

Concept used. The case exposes a recruitment-and-training mis-match: the competitor is absorbing the readily-employable candidates, leaving the company with applicants whose *soft skills* are fine but who lack the *hard / technical skills*. Staffing theory says the answer is *training* (to close the hard-skill gap) and *improved sourcing* (to widen the recruitment funnel).

Step 1. (a) Problems identified.

- Weak recruitment funnel.* The competitor is capturing the qualified pool; the

company's sources are too narrow.

- *Skill gap (hard skills)*. Candidates joining have soft skills but lack technical skills (data-entry speed, software literacy, product knowledge, claims-processing rules).
- *Tight labour market*. A “jobseeker’s market” means employers, not candidates, are the ones being chosen; the company must work harder to be the preferred employer.
- *High training cost coming*. Because hard skills are missing, the company will have to invest more in training.
- *Risk of high attrition*. If competitors offer better pay or career, the employees the company trains will simply walk out – training cost wasted.

Step 2. (b) Resolution and impact.

- *Widen the recruitment funnel*. Use campus recruitment at insurance and commerce institutes, employee-referral schemes (with referral bonuses), online portals targeted at insurance candidates, and walk-in drives.
- *Strengthen induction & training*. Set up a 4-6 week structured induction + technical-skills training programme (vestibule-style) on the company's systems, products and claims-processing.
- *Become the employer of choice*. Offer competitive pay, a clear career-growth path, work-from-home/flexi options, and recognition programmes – so candidates pick this company over the competitor.
- *Retention bond / service period*. Recover training cost from employees who quit within a defined service period.
- *Continuous appraisal & upskilling*. Regular skill assessments and refresher training so the workforce stays current with new insurance products and technology.

Impact: A wider funnel + structured training + competitive pay raises the quality and stability of the workforce; service quality improves; customer churn drops; the company's brand as an employer strengthens, attracting still better candidates next cycle – a virtuous loop.

Final Answer: Problems: narrow recruitment funnel, hard-skill gap, tight labour market, risk of high training cost and high attrition. Resolution: widen sources (campus, referrals, online), build a structured technical-skills training programme, become the employer of choice, and retain trained staff through bonds and competitive pay. Impact: better service quality, lower attrition, stronger employer brand.

EXPERT'S SOLUTION : Priya Iyer, M.Com, Christ University Bangalore

Quick reading. Funnel is narrow + hard skills are missing \Rightarrow widen sources + train hard skills + retain.

Step 1. Diagnose: narrow funnel + hard-skill gap.

Step 2. Treat: wider recruitment + structured training + retention.

Step 3. Impact: better quality, lower churn, stronger employer brand.

Final Answer: Fix the funnel, train the hard skills, retain the trained – the loop becomes virtuous.

Q 6.18 Ms. Jayshree recently completed her Post Graduate Diploma in Human Resource Management. A few months from now a large steel manufacturing company appointed her as its human resource manager. As of now, the company employs 800 persons and has an expansion plan in hand which may require another 200 persons for various types of additional requirements. Ms. Jayshree has been given complete charge of the company's Human Resource Department.

- Point out, what functions is she supposed to perform?
- What problems do you foresee in her job?
- What steps is she going to take to perform her job efficiently?
- How significant is her role in the organisation?

SOLUTION

Concept used. Jayshree is the *HR manager* of a steel-manufacturing company at a growth inflection point (800 \rightarrow 1000 employees). The job description is the standard **HRM specialised activities** list, applied to a heavy-industry, expansion context.

Step 1. (a) Functions Jayshree must perform.

- Recruitment of the 200 new persons.
- Job analysis – writing job descriptions and job specifications for the new roles.
- Designing compensation and incentive plans aligned with steel-industry benchmarks.
- Training and development – particularly safety training, given the industry.
- Maintaining union-management relations (steel firms are typically unionised).
- Handling grievances and complaints through a formal procedure.

- Providing social security and welfare (PF, ESI, canteen, transport).
- Defending the company in any labour-court litigation; compliance with the Factories Act, Industrial Disputes Act, etc.
- Performance appraisal of existing 800 + new 200 employees.

Step 2. (b) Problems foreseen.

- *Recruitment scale.* 200 hires of varied skill levels in a short window is administratively heavy.
- *Union resistance.* Existing union may resist the change in workforce composition.
- *Wage parity issues.* New hires may demand pay parity with senior employees, leading to dissatisfaction.
- *Training challenge.* Steel manufacturing is hazardous; safety training is mandatory and expensive.
- *Inexperience.* Jayshree is fresh out of her diploma – handling 1000-person HRD as a first job is steep.
- *Industrial relations.* Strikes, lock-outs or production stoppage risks if IR is mishandled.

Step 3. (c) Steps to perform the job efficiently.

- Conduct *manpower planning* for the 200 new hires by job category.
- Build a mixed recruitment strategy: campus + agencies + employment exchange + gate walk-ins + employee referrals.
- Implement the full 8-step selection procedure with heavy emphasis on medical examination (steel industry).
- Run mandatory induction + safety training; use vestibule training on duplicate equipment.
- Engage with the union proactively – transparent communication, joint consultation, fair wage policy.
- Set up a grievance redressal cell with clearly defined escalation steps.
- Build performance-appraisal templates linked to output, safety record and attendance.
- Take guidance from a senior mentor / outside HR consultant in the early months.

Step 4. (d) Significance of Jayshree's role. Her role is highly significant because:

- She is responsible for filling 200 new positions that the company's expansion rides on – the project's success rides on her.
- She manages industrial relations in a unionised, hazardous industry; a single strike could cost crores per day.

- She controls a large share of the company's recurring cost – compensation + training + welfare.
- She shapes the company's employer brand, which determines the quality of every future hire.
- She is the legal-compliance shield against labour-court litigation.

Final Answer: Jayshree must perform the full HRM activities – recruitment, job analysis, compensation, training, IR, grievance handling, welfare, legal compliance, appraisal. Her major problems will be the scale of recruitment, union resistance, safety training and her own inexperience. She should respond with a manpower plan, mixed recruitment, 8-step selection, strong safety training, proactive union engagement and a grievance cell. Her role is highly significant because the 200-person expansion, industrial peace and legal compliance all sit on her desk.

EXPERT'S SOLUTION : Vivaan Mehta, M.Com, Symbiosis Pune

Quick reading. 800 → 1000 in a unionised steel firm ⇒ full HR portfolio + scale-recruitment + safety training + IR diplomacy.

Step 1. Functions: the full 9-item HRM list.

Step 2. Problems: scale + union + safety + her inexperience.

Step 3. Steps: manpower plan, mixed sources, 8-step selection, safety training, IR engagement.

Step 4. Significance: expansion, IR, cost, brand and compliance all sit with her.

Final Answer: Jayshree carries the full HR portfolio at a 25% expansion – functions, problems, steps and significance all map to the standard HRM checklist applied to a unionised steel firm.

Related Collegedunia Resources

Same chapter – other resources:

- [Revision Notes](#)
- [Handwritten Notes](#)
- [NCERT Book PDF](#)

Continue learning:

- [Ch 5: Organising](#)
- [Ch 7: Directing](#)
- [Class 12 Business Studies – All Chapters](#)