

OPEN STUDENT FOUNDATION
Std-12 Business Administration
Day - 5

Section A

- Choose correct answer from the given options. [Each carries 1 Mark] [4]
1. How is the procedure of selection of non-managerial employees? (May-2021, July-2022)
(A) Difficult (B) Short and Simple (C) Expensive (D) Long and Specific
 2. What is the second function after recruitment? (May-2021, March-2022)
(A) Promotion (B) Selection (C) Training (D) Transfer
 3. What is the main function of Human Resource Management? (March-2022)
(A) Increase the sales (B) Quality Control (C) Staffing (D) Production
 4. What are employees for the business unit? (July-2022)
(A) Capital (B) Liability (C) Power (D) Invaluable assets.

Section B

- Write the answer of the following questions. [Each carries 3 Marks] [12]
5. Write difference: Development and Training (March 2022, July-2022)
 6. Write a note on staffing as a part of Human Resource Management.
 7. "Training is expensive but its absence is more so." Explain the statement.
 8. "Staffing is like the different limbs of the organisation." Explain the statement.

Section C

- Write the answer of the following questions. [Each carries 4 Marks] [24]
9. Explain staffing and explain its importance. (March-2018, May-2021)
 10. Explain the characteristics of staffing. (July-2019, Aug-2020)
 11. What is training? Explain its importance, (July-2019)
 12. Explain the importance of staffing. (March-2023)
 13. What is recruitment ? Discuss in detail the internal and external sources of recruitment. (March-2018, March-2022, July-2018, July-2022)
 14. Explain the selection procedure. (July-2018, March-2019, March-2020, July-2022)

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Chapters : 5

Section A

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1. How is the procedure of selection of non-managerial employees? (May-2021, July-2022)
 (A) Difficult (B) Short and Simple (C) Expensive (D) Long and Specific

⇒ Ans : (B)

2. What is the second function after recruitment? (May-2021, March-2022)
 (A) Promotion (B) Selection (C) Training (D) Transfer

⇒ Ans : (B)

3. What is the main function of Human Resource Management? (March-2022)
 (A) Increase the sales (B) Quality Control (C) Staffing (D) Production

⇒ Ans : (C)

4. What are employees for the business unit? (July-2022)
 (A) Capital (B) Liability (C) Power (D) Invaluable assets.

⇒ Ans : (D)

Section B

● Write the answer of the following questions. [Each carries 3 Marks] [12]

5. Write difference: Development and Training (March 2022, July-2022)

No.	Points	Training	Development
1	Meaning	It is a process of imparting theoretical and practical knowledge to employees with the objective of acquiring proficiency in work.	It is a process of imparting theoretical and practical knowledge to top level Management and departmental heads.
2	Purpose	The purpose of training is to increase efficiency and productivity.	The purpose is over all development of management and officers by enhancing their latent capacities and moulding their personalities.
3	Centre Point	Work is at the centre of training.	Future career and probable challenges are at its centre.
4	Time & Expense	It is a short term process and less expensive.	It is a long term and expensive process.
5	Who Imparts ?	Training is imparted by experienced employees, experts or supervisors.	For this the help of Educational Institutions and experts of various fields is taken.
6	To Whom ?	Training is given to staff at the bottom level.	Developmental programs are for executives and departmental heads working at top and middle level.

6. Write a note on staffing as a part of Human Resource Management.

⇒ Human Resource Management is the process of planning for recruiting necessary staff and developing and retaining them for the achievement of enterprise objectives. It can be said that it is developed from staffing.

⇒ The success of the unit depends on the work force and attitude of the employees.

- Staffing generally includes activities such as recruitment, selection, training, etc., along with activities such as comfort enhancement, wages method, employee welfare, while human resource management also includes employee's development.
- In today's global competition, the importance of human resources has increased tremendously. Good results can be achieved through employee's appreciation, job satisfaction, skills, loyalty and retention. The function of human resource management can be divided into two parts.
 - (A) Concern with Man Power Planning
 - (B) Concern with Compensation and Development of Staff
- (A) Concern with Man Power Planning
 - ⇒ To make planning of the required staff in the unit and increase it through appointments.
 - ⇒ To reduce the number of staff by careful action if required by time and circumstances.
 - ⇒ To assign the work to each employee as per their qualification.
 - ⇒ To increase the knowledge of the employee by keeping him active.
- (B) Concern with Compensation and Development of Staff:
 - ⇒ To provide an environment where employees become experts in work.
 - ⇒ To provide proper training to the employees.
 - ⇒ To find out the problems of the employees and find their quick solutions.
 - ⇒ To give proper remuneration and benefits to the employees as per their ability.

7. "Training is expensive but its absence is more so." Explain the statement.

- "Training is the process of imparting theoretical and practical knowledge with the objective of acquiring proficiency in work."
- A business unit has to keep separate departments for training employees. A training officer has to be appointed. Machines, raw materials etc. tools have to be purchased. Employees have to be given stipends during training. A lot of raw material is wasted during this time. Thus, the task of training is very expensive.
- But, the benefits of training are more than the costs. Training increases employee efficiency, and reduces repair costs, increases employee morale, and reduces labour turnover-rates. Thus, training costs are considered as a capital investment rather than an expense.
- Hence, it can be said that Training is expensive but its absence is more so.

8. "Staffing is like the different limbs of the organisation." Explain the statement.

- In our body, the brain is responsible for thinking and making decisions about various functions, and the limbs are responsible for implementing those decisions. Similarly, the function of planning in management is like the brain. It determines the objectives, policies, decisions, strategies of the unit and the staff works to implement those objectives, policies, programmes etc.
- Hence, it can be said that staffing is like the different limbs of the organisation.

Section C

● Write the answer of the following questions. [Each carries 4 Marks] [24]

9. Explain staffing and explain its importance. (March-2018, May-2021)

- Meaning: In ordinary sense the term staffing is not merely recruitment but also includes acquiring employees, training and maintaining them in the organisation. Staffing is an activity of maintaining relations with the employees of the organisation.
- In a wider sense, it includes recruitment, selection, training, promotion, transfer and post retirement activities.
- Characteristics:
 - (1) Important function of management :
 - ⇒ Staffing is important functions of management like planning, organisation, directing, coordinating and controlling.

(2) Perennial Process :

- ⇒ No unit can exist without employees.
- ⇒ As long as the activities of the unit continue, the employees and the staffing will continue to exist.

(3) Concerned with Human Relations :

- ⇒ The purpose of staffing is to get the right employees and make the best use of them in the unit.
- ⇒ Employee is the only living means of production, he has feelings and self-esteem. He is expected to be treated humanely.

(4) Dynamic process :

- ⇒ All the activities of the unit become dynamic due to well qualified employees.

(5) Relation with other managerial functions :

- ⇒ Staffing is related to other functions of management such as planning, organizing, commanding, coordinating and controlling.

(6) Wide scope :

- ⇒ Staffing is not just an employee welfare activity, but an activity related to acquiring, cultivating, retaining and developing employees.

(7) Capital Expenditure (Investment) :

- ⇒ Expenditure incurred for recruitment, selection, training and development of employees can be considered as necessary capital expenditure (investment) rather than business expenditure.

⇒ Staffing occupies an important place in the process of management. As more industries have been developed, the importance of staffing has also increased. Any organisation without staff is like a mere skeleton.

⇒ The future of a business unit depends more on the employees than any other factors. They are the only living instrument of the unit. They cannot be considered as physical resources, because they have feelings and self-esteem, different skills, intelligence and understanding. Thus, it is said that you take care of your employees; they will take care of everything else.

⇒ Thus, the importance of staffing can be explained in different ways as follows:

(1) Driving force :

- ⇒ A business unit may have all the machinery, equipment, materials etc. but unless there are satisfied employees, the goals cannot be achieved. Thus, satisfied and engaged employees are the driving force of the unit.

(2) Dynamic Activities :

- ⇒ All the activities of the unit become dynamic due to proper staffing.

(3) Important for Other Functions of Management :

- ⇒ Staffing is related to management functions such as planning, organizing, directing, coordinating and controlling etc.

(4) Limbs of the business enterprise :

- ⇒ The function of planning in management is like the brain of the human body, while staffing takes the place of the limbs of the human body. Thus, the unit cannot function without them.

(5) Job satisfaction among staff :

- ⇒ Employee's difficulties can be understood and solved quickly in a fair manner, thereby creating a sense of satisfaction in the employee. Due to which, his passion for work increases.

(6) Harmony in relations :

- ⇒ A relatively satisfactory atmosphere is created due to the staffing. Hence, harmony is maintained in the relation between owner and employee.

(7) Increases the prestige of the organisation :

- ⇒ Satisfied and engaged employees are the most valuable assets of the unit. They enhance the reputation of the business unit.

(8) Continuous Process :

- ⇒ Staffing is a continuous activity i.e. staff is required from the beginning of the business unit to the end

of the business unit.

10. Explain the characteristics of staffing. (July-2019, Aug- 2020)

- ➡ Meaning: In ordinary sense the term staffing is not merely recruitment but also includes acquiring employees, training and maintaining them in the organisation. Staffing is an activity of maintaining relations with the employees of the organisation.
- ➡ In a wider sense, it includes recruitment, selection, training, promotion, transfer and post retirement activities.
- ➡ **Characteristics:**
 - (1) **Important function of management :**
 - ⇒ Staffing is important functions of management like planning, organisation, directing, coordinating and controlling.
 - (2) **Perennial Process :**
 - ⇒ No unit can exist without employees.
 - ⇒ As long as the activities of the unit continue, the employees and the staffing will continue to exist.
 - (3) **Concerned with Human Relations :**
 - ⇒ The purpose of staffing is to get the right employees and make the best use of them in the unit.
 - ⇒ Employee is the only living means of production, he has feelings and self-esteem. He is expected to be treated humanely.
 - (4) **Dynamic process :**
 - ⇒ All the activities of the unit become dynamic due to well qualified employees.
 - (5) **Relation with other managerial functions :**
 - ⇒ Staffing is related to other functions of management such as planning, organizing, commanding, coordinating and controlling.
 - (6) **Wide scope :**
 - ⇒ Staffing is not just an employee welfare activity, but an activity related to acquiring, cultivating, retaining and developing employees.
 - (7) **Capital Expenditure (Investment) :**
 - ⇒ Expenditure incurred for recruitment, selection, training and development of employees can be considered as necessary capital expenditure (investment) rather than business expenditure.

11. What is training? Explain its importance, (July-2019)

- ➡ According to general terms 'Training means providing theoretical and practical knowledge with reference to the work of the employees.'
- ➡ According to an expert, "Training means giving up-to-date information about the organisation and also to increase efficiency, skill, aptitude, attitude and technical skill of the employees."
- ➡ In short, "Training means imparting knowledge and education with the objective of gaining proficiency in the business."
- ➡ **Importance of Training :** Training is expensive but absence of it is even more expensive. Because training makes employees more efficient for the business unit, the business unit can earn more profit at lower cost. Thus, the importance of training increases which can be explained point wise as follows :
 - (1) **Modern Information :**
 - ⇒ The scope of technical knowledge has been greatly expanded due to new discoveries in the industrial world. Every employee needs to be trained to cope up with it.
 - (2) **Safety :**
 - ⇒ The employees, who work with machinery are provided training so that they can prevent themselves from accidents. Due to training, employees can work properly. As a result they can work energetically without feeling tired or bored.
 - (3) **Increase in Job Satisfaction :**
 - ⇒ During training, if the employees are assigned the same task for which they have been trained, they

perform with more passion. As a result, they feel job satisfaction.

(4) Reduction In Rate of Labour Turnover :

⇒ Training increases the knowledge and skills of the employees. As a result, their efficiency also increases; hence it increases the chances of getting promotion. Such employees are less likely to think changing jobs. Hence, the employee turnover rate is reduced.

(5) Increase in Profits :

⇒ Training increases production and productivity of the employees. Hence, reducing marginal cost of goods. Due to this, the profit increases.

(6) Reduction in Expenses :

⇒ Training of employees reduces wastage of raw materials, also reduces inspection costs. As a result the total cost is reduced.

(7) Growth and Development of Employees

⇒ Training of employees increases their knowledge, technique, skills, abilities and intelligence. As a result, personnel development of the employees is possible.

(8) Other Benefits :

⇒ Training increases the quality of goods, as a result the reputation of the unit increases. Besides, training reduces mental stress among employees, creates a cooperative atmosphere in the unit, increases honesty and loyalty of employees. Overall, proper training enhances the reputation of the business unit.

12. Explain the importance of staffing. (March-2023)

⇒ Staffing occupies an important place in the process of management. As more industries have been developed, the importance of staffing has also increased. Any organisation without staff is like a mere skeleton.

⇒ The future of a business unit depends more on the employees than any other factors. They are the only living instrument of the unit. They cannot be considered as physical resources, because they have feelings and self-esteem, different skills, intelligence and understanding. Thus, it is said that you take care of your employees; they will take care of everything else.

⇒ Thus, the importance of staffing can be explained in different ways as follows:

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⇒ A business unit may have all the machinery, equipment, materials etc. but unless there are satisfied employees, the goals cannot be achieved. Thus, satisfied and engaged employees are the driving force of the unit.

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⇒ Staffing is a continuous activity i.e. staff is required from the beginning of the business unit to the end of the business unit.

13. What is recruitment ? Discuss in detail the internal and external sources of recruitment. (March-2018, March-2022, July-2018, July-2022)

⇒ In the ordinary sense “Recruitment is the process of looking for probable employees and making them apply for the job.” In a broader sense, “Recruitment is the process of acquiring at the right time, in the right number, in the right place, persons with the right qualifications.”

⇒ There are two sources of recruitment.

(A) Internal sources, (B) External sources

(A) Internal Sources : (March-2018, March-2022)

(1) Promotion :

⇒ When a new position is created or a vacancy occurs in a business unit, management promotes employees by evaluating the work, intelligence, honesty, etc. Elevating one’s own employees to higher positions increases their passion and loyalty. Promotion leads to increase in salary, position, authority and responsibility of an employee.

(2) Transfer :

⇒ If there is a shortage of employees in one department of the unit, surplus employees from other departments are transferred to such department at the suitable position by considering their qualifications. So that the shortage of employees can be removed.

(3) Friends or relatives of employees :

⇒ When there is a vacancy in the unit and the opportunity is given to friends or relatives of employees to participate in the recruitment, it increases the morale of the employee and makes him feel proud.

(4) Recalling retrenched employees :

⇒ Employees who were retrenched due to any reason or joined other units in the past may be recruited by recalling them by considering their experience, knowledge and efficiency.

(5) Promotion with transfer :

⇒ In this method, an existing employee of a unit is transferred to another unit under the same management with promotion taking into account the employee’s efficiency, loyalty and experience. e.g., Transfer with promotion to preferred city or near hometown. This increases the motivation and enthusiasm of the employee.

(6) Waiting List :

⇒ In the past, when recruitment has been advertised, more than required candidates are selected, the required candidates are appointed and a list of additional candidates is prepared, which is called waiting list. This list is used for future recruitment. So re-recruitment processes are not to be done.

(B) External Sources : (July-2018, May-2021)

(1) Through advertisement :

⇒ It is an effective method of recruitment to get a large number of candidates. Applications are invited by advertising in newspapers, trade magazines or specialized trade magazines. Candidates can apply online by looking at advertisements on television, internet and websites. More applications can be obtained from far off corners. So the right candidate can be selected.

(2) Through Employment Exchange :

⇒ Government and private employment exchange organisations prepare a list by registering the name, address, educational qualification, mobile number etc. of job seeking candidates. The employment exchange organisations send the list of qualified candidates on demand by business units, from which the unit can select employees according to their requirement.

(3) Through Educational Institutions :

⇒ As per the requirement of employees in the unit, they contact professional institutions colleges and universities and decide a certain day and place to call candidates for personal interviews. This is known as Campus (Direct)Recruitment.

⇒ E.g., IIM (Indian Institute of Management), IIT (Indian Institute Of Technology) conduct campus placement every two years.

(4) Through Trade Unions :

⇒ Trade unions register workers for a business unit. Such workers are recruited with the help of trade unions when work increases.

⇒ E.g. In textile industry, mining industry etc.

(5) Through contractor :

⇒ According to the contract between the business unit and the contractor, the contractor undertakes to provide workers to the business unit and receives a commission in return. There is a possibility of exploitation of workers in this system. Generally, unskilled workers are supplied in this way.

⇒ E.g. Construction Industry, Mining Industry, Tea Gardens, etc.

(6) Recruitment at Gate (Walk-In) :

⇒ Recruitment of employees can be done by placing a notice board at the door of the business unit displaying job information. This method is more convenient for casual employees.

(7) Modern Method :

⇒ Recruitment of employees has become possible through the internet in modern times. Different agencies register the necessary details of potential candidates on their website. These agencies or units can be used to get suitable candidates when vacancies arise in the unit. In this system, the candidates apply for the job online. This process is generally useful for recruiting skilled workers.

14. Explain the selection procedure. (July-2018, March-2019, March-2020, July-2022)

⇒ **Meaning of Selection:** "Selection means to scrutinize the applications received and appoint the suitable candidate."

⇒ Selection is a part of the recruitment process. The selection procedure is different in different units. It depends on the size, type and kind of employees of the unit.

⇒ The selection process is very important for a business unit. Competent, expert, experienced and loyal employees are the valuable assets of every business units. The various stages of the staff selection process are as follows:

(1) Welcoming and Primary Meeting :

⇒ First of all, at this stage candidates are welcomed into the unit. After that, making a preliminary inquiry of the candidate, if he is found suitable, he is sent to the recruitment officer. Recruiting officers fill the application form after getting the information like educational qualifications, experience, knowledge, age, skills of the candidate. The main purpose of this phase is to prevent ineligible candidates from applying from the very beginning, thus it saves time and energy. So the administrative work becomes easier.

(2) Receiving and Screening of Applications :

⇒ In the application form, the candidates have to mention their educational qualifications and other information such as experience, knowledge, age, skill etc. Along with the application form, candidates have to attach various documents regarding their qualifications like marks sheets, experience certificates, etc. The filled application form is verified. If the information given in any application form is incorrect or incomplete, it is rejected.

(3) Taking Necessary Tests :

⇒ The applications which have been accepted are called for various tests. Due to such tests, information can be obtained about the candidates' mental capacity, smartness, skill and aptitude etc.

(a) IQ Test :

▶ Through this test the intelligence, smartness, memory power, thinking power, decision making power etc. of the candidates can be known.

(b) Aptitude Test :

▶ The aptitude or interest of the candidate towards the work for which the candidate is to be selected can be known.

(c) Trade Test :

- ▶ Through this test, it can be known how much skill the candidate has in the work that he has to be appointed.

(d) Psychological Test :

- ▶ Through this test the nature, self-confidence, attitude and habits of the candidate can be known.

(4) Personal Interview :

- ⇒ Candidates who qualify the tests are called for a personal interview. A selection committee is formed to select the candidates. This committee consists of various experts, management representatives, departmental heads and personnel department heads. The committee asks questions relevant to the task and proper care is taken so that there is no deviation from the topic. At this point the terms of employment and the remuneration payable can be clarified by discussing.

(5) Checking References :

- ⇒ Information about the candidate is got from the unit where the candidate works or where he/she has worked in the past privately. This information is compared with the application form. So the real situation is realized. The information received by the candidate should be free from bias so that a proper decision can be taken regarding the candidate. Also, the reference mentioned by the candidate in the application form is obtained which helps in the selection process.

(6) Preliminary Selection :

- ⇒ A selection committee prepares a list of candidates whose past career is found to be positive. In this list more candidates than required are prepared.

(7) Physical (Medical) Examination :

- ⇒ Candidates who are successful in all the above procedures are referred for physical examination to the doctor or hospital decided by the unit. The main purpose of this examination is to know whether the candidates have any physical problem or serious illness. Remaining candidates are placed in the waiting list.

(8) Appointment Letter :

- ⇒ After the final selection, the candidates are given the appointment letter, in which the candidate has been appointed to which place, for which post, for which powers, duties and responsibilities and the salary to be received and other financial and non-financial benefits.

(9) Induction into the Organisation and Allotment of work :

- ⇒ After issuing the appointment letter and before assigning the work, the candidate is taken to the place of work and introduced to the unit policy, environment, superiors, colleagues and subordinates. Then the task is assigned.