INTRODUCTION

Anupama V

Assistant Professor

Dept CSE, CEC

Outline

- Meaning of Management
- Nature & Characteristics of Management
- Scope of Management
- Functional Areas of Management
- Goals of Management
- Levels of Management
- Development of Management Thoughts
- Early, Modern Management Approaches

Outline

- Nature of Planning
- Importance of Planning
- Types of Plans
- Steps in Planning
- Nature & purpose of Organization
- Types of Organization,
- Meaning of Staffing
- Process of Recruitment & Selection

Importance of Management

- Management is a critical element in the economic growth of a country.

- Management is the dynamic, life giving element in every organization.

Definition of Management

- 'the art of getting things done through people' - Mary Parker Follet

- "a process consisting of planning, organizing, actuating and controlling performed to determine and accomplish the objectives by the use of people and resources"- George R Terry

- There are four views of management:

  (1) Management is a process.

  (2) Management is a discipline.

  (3) Management is a human activity.

  (4) Management is a career.

Definition of Management

- "Management is the direction and maintenance of an internal environment in an enterprise where individuals working in groups can perform efficiently and effectively towards the attainment of group goals"- Koontz and O'Donnel

- "Management is the art of knowing what you want to do and then seeing that it is done in the best and cheapest way" - F.W. Taylor

- "Management is the art and science of decision making and leadership" - Donald J Clough
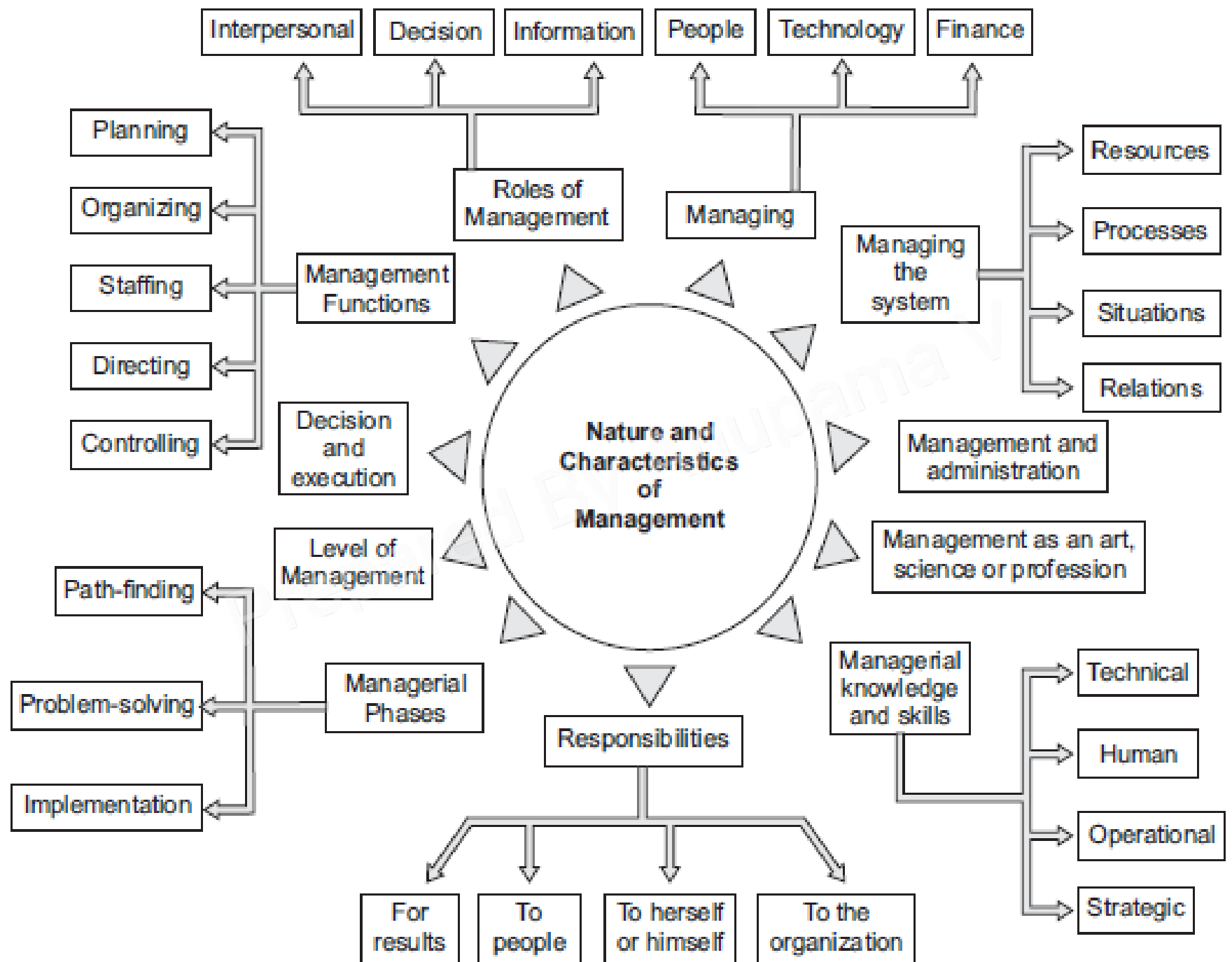
NATURE OF MANAGEMENT

1) Multidisciplinary
2) Dynamic nature of principles
3) Continuous Process
4) Management – science or art
5) Universality of management

CHARACTERISTICS OF MANAGEMENT

- ❑ Management is a continuous process
- ❑ Management is an art as well as science
- ❑ Management aims at achieving predetermined objectives
- ❑ Management is a factor of production
- ❑ Management is decision-making
- ❑ Universal application

CHARACTERISTICS OF MANAGEMENT

- ❑ Management is needed at all levels
- ❑ Management aims at maximum profit
- ❑ Dynamic
- ❑ Management as a career
- ❑ Management is a discipline

Interpersonal — Decision — Information — People — Technology — Finance

Roles of Management

Managing

Planning

Organizing

Staffing

Directing

Controlling

Management Functions

Decision and execution

Managing the system → Resources, Processes, Situations, Relations

Management and administration

Nature and Characteristics of Management

Level of Management

Management as an art, science or profession

Path-finding

Problem-solving

Implementation

Managerial Phases

Responsibilities → For results, To people, To herself or himself, To the organization

Managerial knowledge and skills → Technical, Human, Operational, Strategic

FUNCTIONAL AREAS OF MANAGEMENT

- Production/Operation: responsible for all production related activities like Purchasing, Materials management, Research & Development etc..

- Marketing:

-involves the distribution of organizations' products to the buyers.

-Sub activities like Advertising, Marketing research, Sales management.

- **Finance and accounting:** deals with intelligent investment of financial resources and record-keeping of various transactions

  -sub functions are Financial Accounting, Management Accounting, Costing, Investment Management, Taxation

- **Personnel:** management of human resources

  sub-activities are Recruitment and Selection, Training and Development, Wage and Salary Administration, Industrial Relations

- Management Information System

- Strategy

SCOPE OF MANAGEMENT
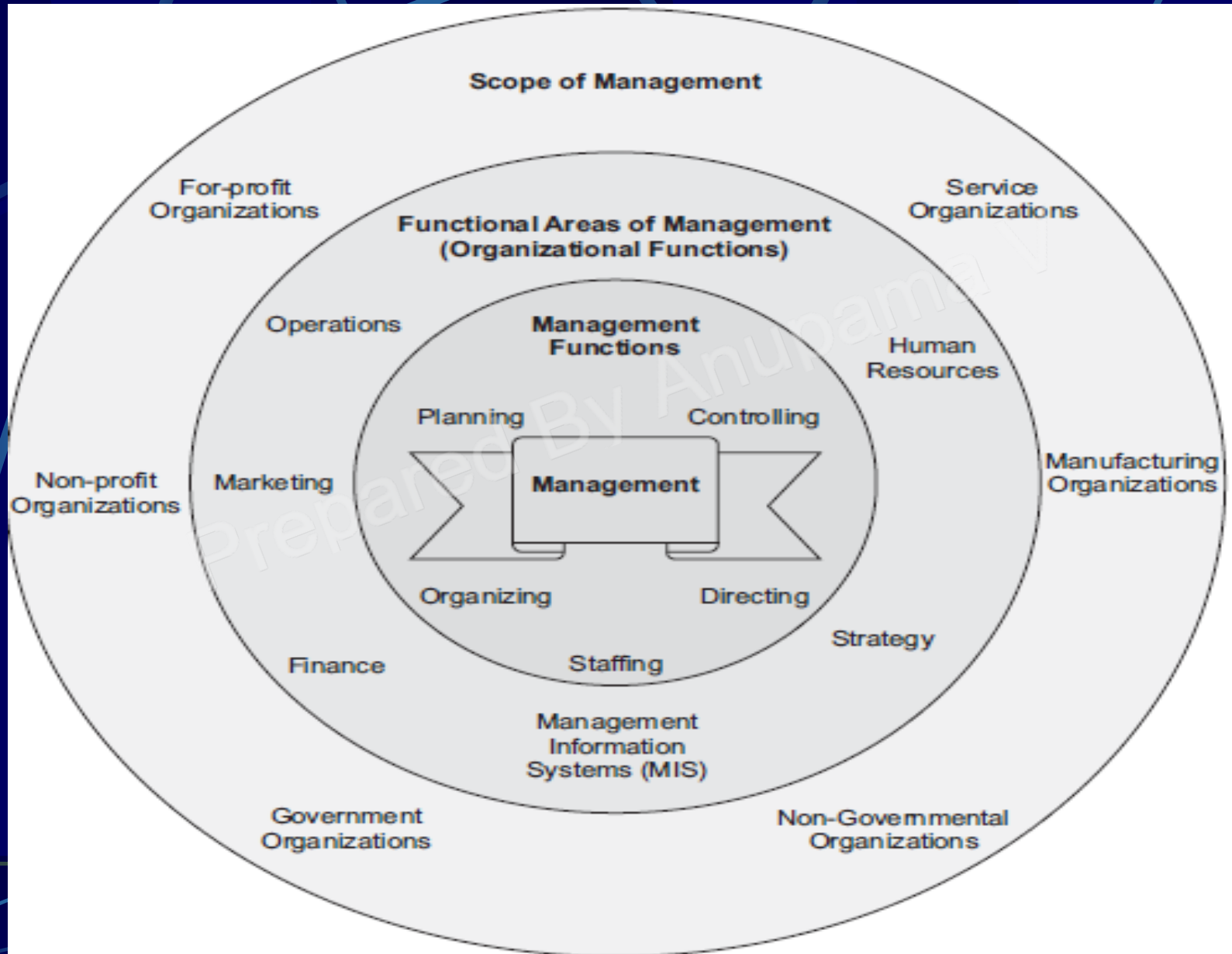
ROLES OF MANAGEMENT
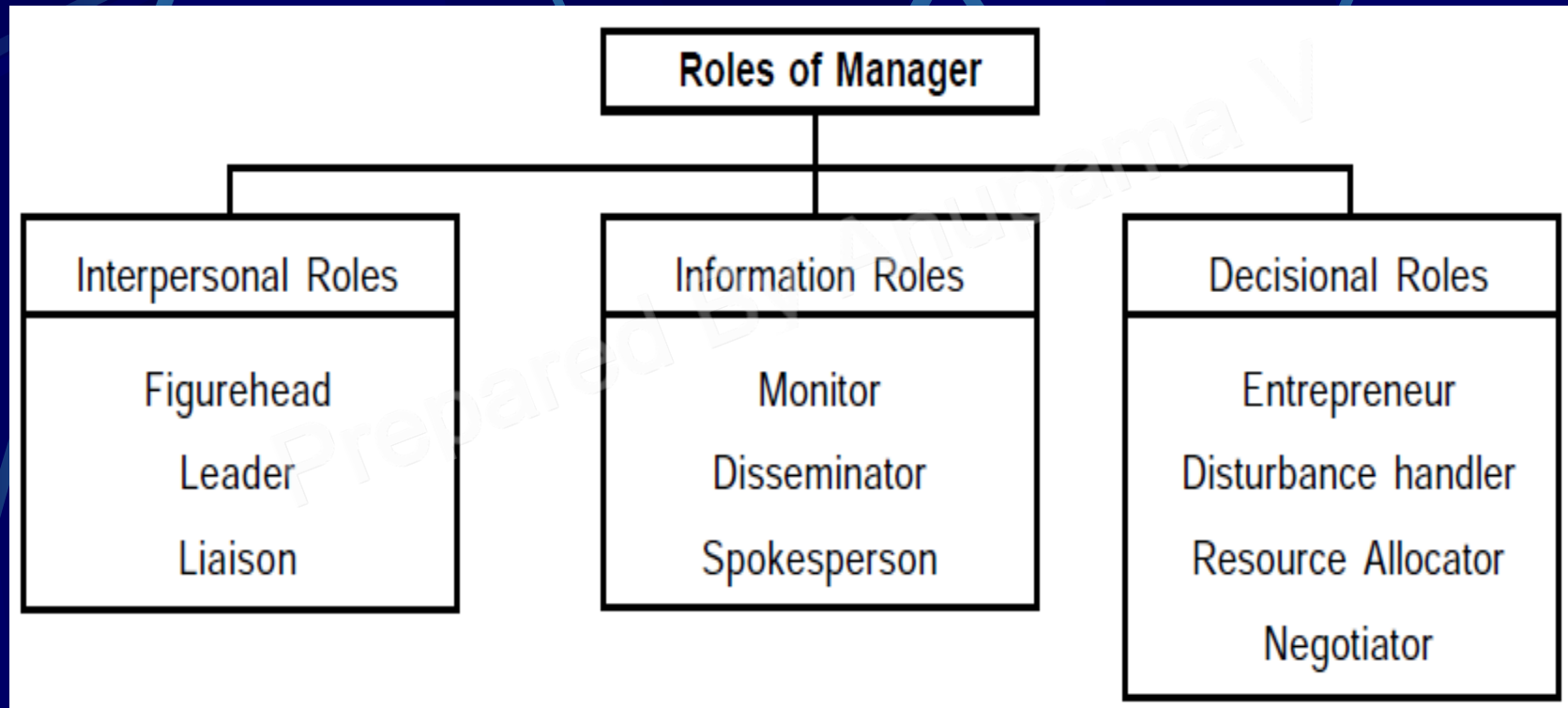
- Interpersonal role: interacting with people both organizational members and outsiders.

Figure head role: duties of ceremonial nature such as attending social functions of employees, taking an important customer to lunch & so on.

Leader role: leading the subordinates motivating and encouraging them.

Liaison: connecting link between his organization & outsiders , cultivate contacts outside his vertical chain to collect information useful for his organization.

Information roles: involves communication.

Monitor: monitoring role, collects information about all the factors which affects his activities

Disseminator: possesses privileged information to his subordinates who otherwise not be in a position to collect it.

Spokesperson: represents his organization while interacting with outsiders like customers, suppliers, financers, government & other agencies of the society.

Decisional roles: involves choosing most appropriate alternative among all so that organizational objectives are achieved in an efficient manner1

<u>Entrepreneur</u>: constantly looks out for new ideas & seeks to improve his unit by adopting it to dynamic environment.

<u>Disturbance handler</u>: works like a fire-fighter manager contains forces and events which disturb normal functioning of his organization.

<u>Negotiator</u>: negotiates with various groups in the organization. Such groups are employees, shareholders and other outside agencies.
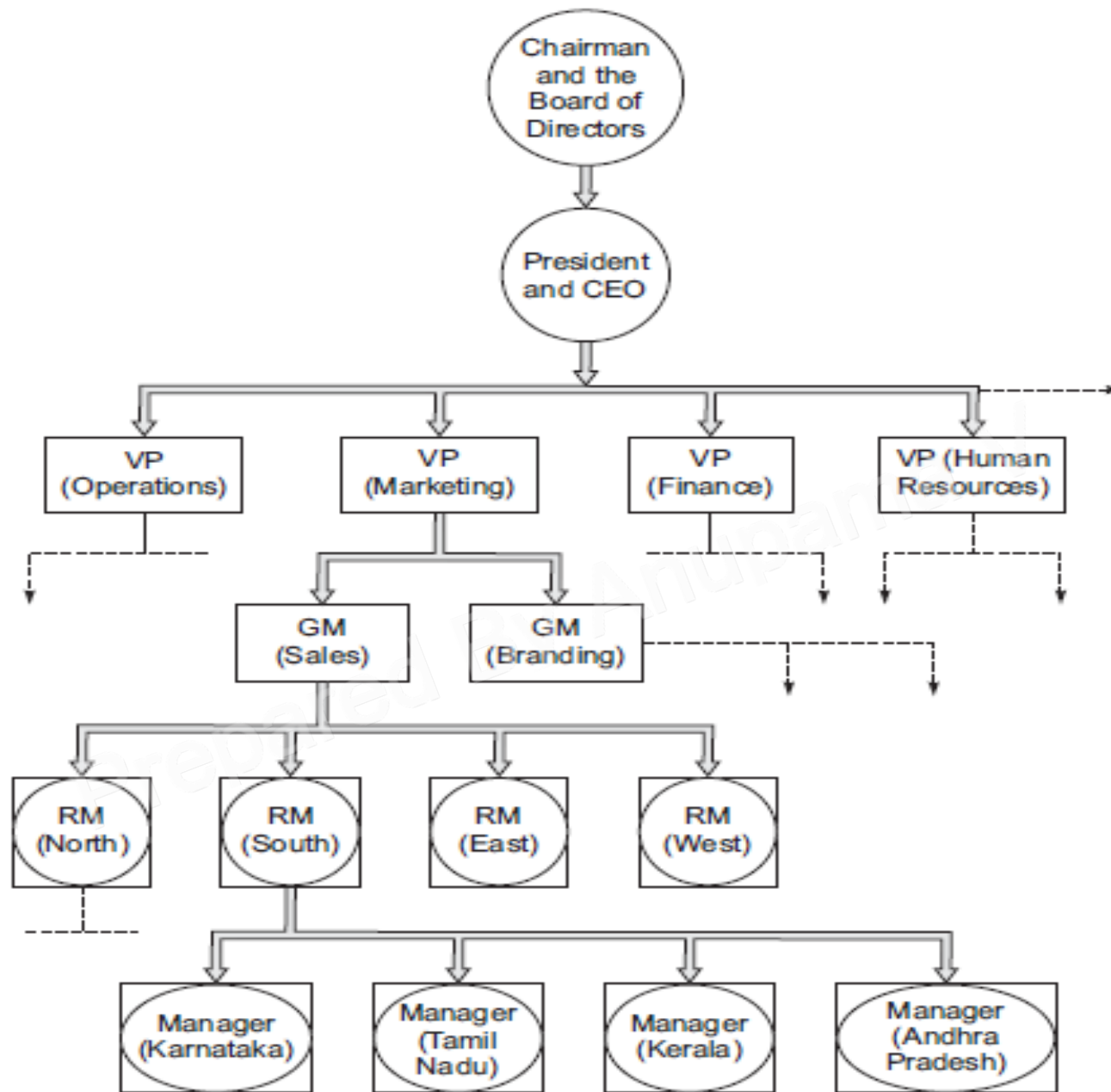
Management Levels

Top-level management
(president, executive vice president)

Middle managers
(chief engineer, division head etc.)

First-line managers
(foreman, supervisor, section chief)

Chairman and the Board of Directors
President and CEO

VP (Operations)
VP (Marketing)
VP (Finance)
VP (Human Resources)

GM (Sales)
GM (Branding)

RM (North)
RM (South)
RM (East)
RM (West)

Manager (Karnataka)
Manager (Tamil Nadu)
Manager (Kerala)
Manager (Andhra Pradesh)

VP = Vice president
GM = General manager
RM = Regional manager

○ — Top management
□ — Middle management
▣ — Lower management

Top level management:

-determines goals and objectives

-performs overall planning, organizing, staffing, directing and controlling

-integrates organization with environment, balances the interest groups & is responsible for overall results.

Middle management:

-establishes programs for department & carries out functions for achieving specific goals.

-training and development of employees, integrating various parts of the department.

Supervisory management:

-concerned with efficiency in using resources of the organization.

-supervisor is an executor of policies & procedures making a series of decisions with well-defined & specified premises.
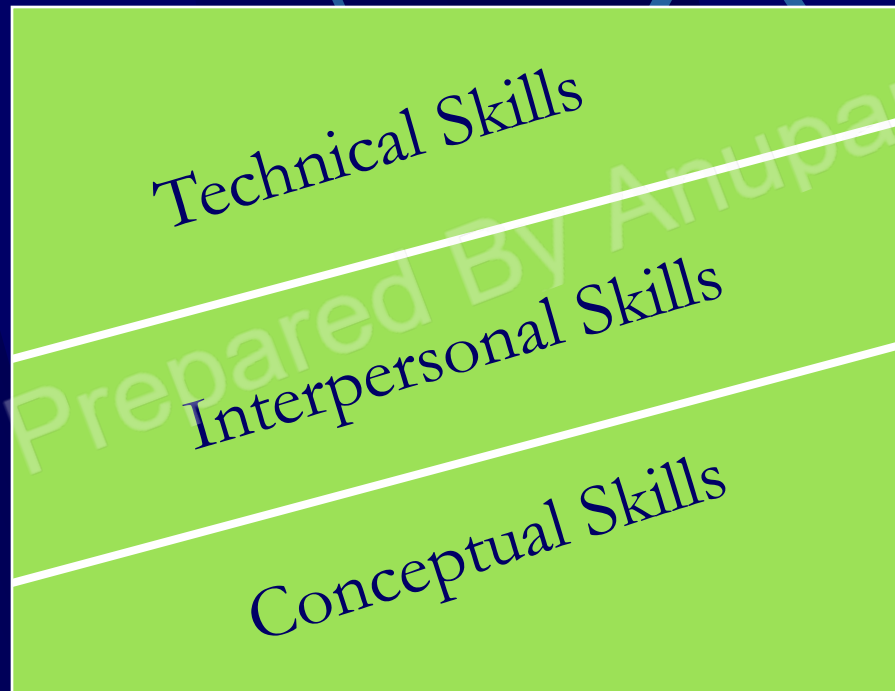
Managerial Level

Lowest   **Middle**   **Top**

Technical Skills

Interpersonal Skills

Conceptual Skills

Skills required versus management

Managerial Skills:

Managers need three types of skills:

Technical: Specific subject related skills such as engineering, accounting, etc…

Interpersonal: Skills related to dealing with others and leading, motivating, or controlling them

Conceptual: Ability to discern the critical factors that will determine as organization's success or failure. Ability to see the forest in spite of the trees.

EVOLUTION OF MANAGEMENT

● Classification:

-Early management approaches

      * Taylor's scientific management

      * Foyal's administrative management

      * bureaucracy

-Neo classical approches

      * human relations movement

      * behavioural approach

-Modern management approaches

      * quantitative/management science

      * systems approach

      * contingency approach.

Taylor's Scientific Management

Principles:

1. Time & Motion Study
2. Differential Payment
3. Drastic Reorganization of Supervision
4. Scientific Recruitment & Training
5. Intimate Friendly Cooperation b/w the management & Workers

Taylor's Scientific Management

General Approach

- Developed standard method for performing each job.

- Selected workers with appropriate abilities for each job.

- Trained workers in standard method.

- Supported workers by planning work and eliminating interruptions.

- Provided wage incentives to workers for increased output.

Taylor's Scientific Management

Contributions

- Demonstrated the importance of compensation for performance.
- Initiated the careful study of tasks and jobs.
- Demonstrated the importance of personnel and their training.

Criticisms

- Did not appreciate social context of work and higher needs of workers.
- Did not acknowledge variance among individuals.
- Tended to regard workers as uninformed and ignored their ideas

Administrative Management

- Focus:
  - Organization rather than the individual
  - Delineated the management functions of planning, organizing, commanding, coordinating, and controlling
- Henri Fayol:
  - Developed a set of 14 general principles of management.
  - His managerial functions of planning, leading, organizing, and controlling are routinely used in modern organizations.

Administrative Management

14 General Principles of Management

- Division of labor
- Authority
- Discipline
- Unity of command
- Unity of direction
- Subordination of individual interest
- Remuneration

- Centralization
- Scalar chain
- Order
- Equity
- Stability and tenure of staff
- Initiative
- Esprit de corps

Foyal's Administrative Management

Criticisms

- Leads to formation of small groups
- Results in dissatisfaction of workers
- Theses principles result onto formation of mechanistic organizational structure.

Bureaucratic Management

- Focuses on the overall organizational system and is based upon firm rules, policies, and procedures; a fixed hierarchy; and a clear division of labor

  - Max Weber (1864-1920), a German sociologist and historian, is most closely associated with bureaucratic management.

Bureaucratic Management

- Envisioned a system of management that would be based upon impersonal and rational behavior.

- Conceptualized the approach to management referred to as bureaucracy.
  - Division of labor
  - Hierarchy of authority
  - Rules and procedures
  - Impersonality
  - Employee selection and promotion

Quantitative Approaches

Is characterized by its use of mathematics, statistics, and other quantitative techniques for management decision making and problem solving. This approach has four basic characteristics:

Decision-making focus	Measurable criteria	Quantitative model	Computers

- Decision-Making Focus
  - The primary focus of the quantitative approach is on problems or situations that require some direct action, or decision, on the part of management.
- Measurable Criteria
  - The decision-making process requires that the decision maker select some alternative course of action. The alternatives must be compared on the basis of some measurable criteria.
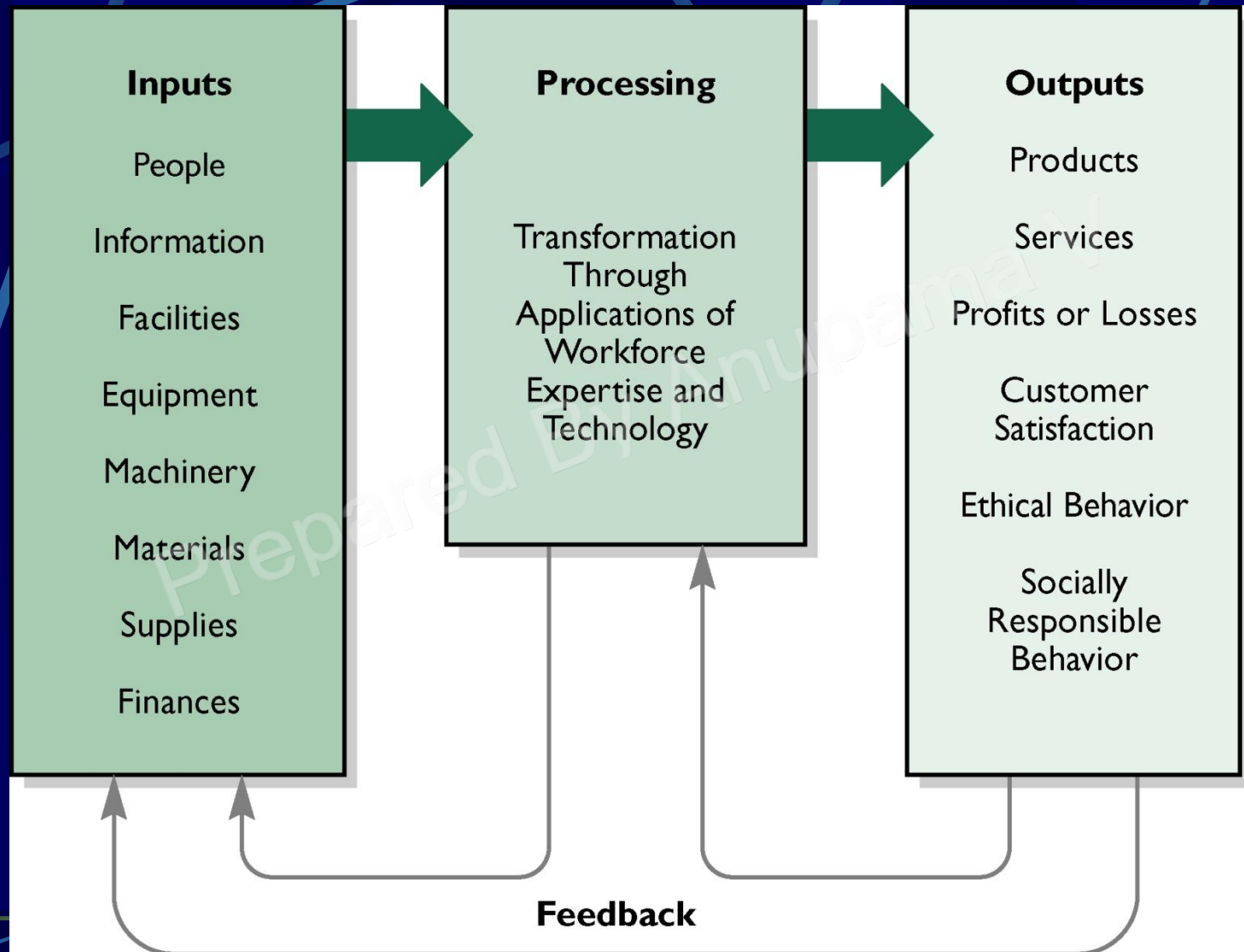
- Quantitative Model
  - To assess the likely impact of each alternative on the stated criteria, a quantitative model of the decision situation must be formulated.

- Computers
  - Computers are quite useful in the problem-solving process.

Systems Approach

Inputs	**Processing**	**Outputs**
People		Products
Information	Transformation	Services
Facilities	Through	Profits or Losses
Equipment	Applications of	
Machinery	Workforce	Customer
Materials	Expertise and	Satisfaction
Supplies	Technology	Ethical Behavior
Finances		Socially Responsible Behavior

Feedback

- System is powerful collection of people, objects & procedures for operating within an environment so as to achieve a pre-determined objectives.
- A system is a set of interdependent parts.

(task, structure, people technology)

- System can be either open or closed.
- System has a boundary.
- Manager integrates his available facilities with goal achievement.
- **Uses**
  - Quick Perception
  - Better Planning
- **Limitations**
  - Complicated
  - Expensive

Contingency Perspective

- A view that proposes that there is no one best approach to management for all situations.

- Asserts that managers are responsible for determining which managerial approach is likely to be most effective in a given situation.

- This requires managers to identify the key contingencies in a given situation.

Example of the Contingency Perspective

Joan Woodward discovered that a particular management style is affected by the organization's technology. Woodward identified and described three different types of technology:

| Small-batch technology | Mass-production technology | Continuous-process technology |

Planning Definition

- Planning is deciding in advance what to do, how to do it, when to do it and who is to do it. It bridges the gap from where we are and to where we want to go. It is in essence the exercise of foresight.

- Planning is an intellectual process which requires a manager to think before acting.

- Planning is the management function that includes decisions and actions to insure future results. - Peter Drucker

Nature Of Planning

- **Planning: A Rational Approach**
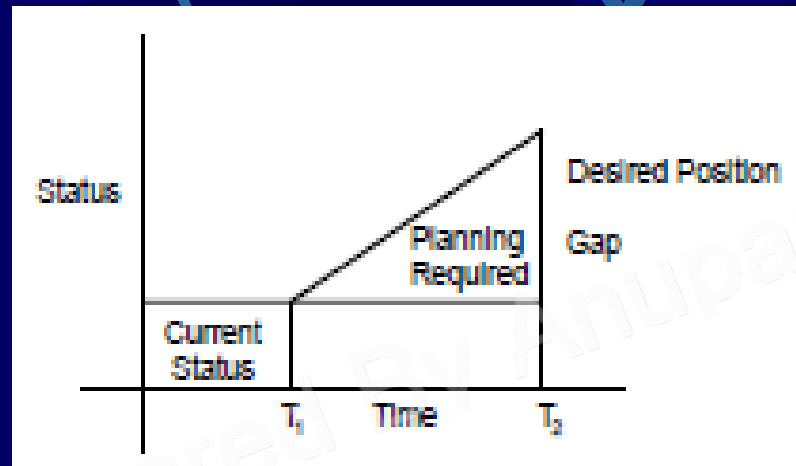
- **Planning: An Open System Approach**
- **Flexibility of Planning**
- **Pervasiveness of Planning**

Importance of Planning

- Minimizes Risk and uncertainty
- Lead to success
- Focuses attention on the Organization Goals
- Facilitates Control
- Trains Executives
- Minimize waste and redundancy
- Reduce the impact of change

FORMS OF PLANNING

Dimension	Types of planning
1. Coverage of activity	Corporate and functional planning
2. Importance of contents	Strategic and tactical/operational planning
3. Time period involved	Long term and short term planning
4. Approach adopted	Proactive and reactive planning
5. Degree of formalization	Formal and Informal planning

What is STRATEGIC planning?

- Is defining and prioritizing long-term plans that includes examining an organization's purpose, mission, philosophy and goals in the light of its external environment

- It is proactive and future-oriented, focuses on a 3-5 year operation of the organization

- It generally aims at creating an image of the desired future and design ways to make plans a reality

What is TACTICAL planning?

- Deciding how resources of the organization will be used to achieve strategic goal.

- Ex1: Unit Director plans a meeting of staff nurses to reinforce knowledge gained from orientation of new staff… may get endorsement from the Division Chief Nurse who has set her own staff development plan for the whole division.

- Ex2: Unit Director reviews with staff medicine supplies

Strategic Vs Tactical Planning

	Strategic planning	Tactical planning
1	Decides the major goals and policies of allocation of resources to achieve these goals.	Decides the detail use of resources for achieving these goals.
2	Done at higher levels of management. Middle Managers sometimes not even aware that strategic planning being considered.	Is done at lower levels of management
3	It is long term	It is short term
4	Is generally based on long term forecasts about technology, political environment and is more uncertain.	Is generally based on the past performance of the organization and is less uncertainly
5	Is less detailed because it is not involved with the day to day operations of the organization	Is more detailed because it is involved with the day-to-day operations of the organization

Types of Plans
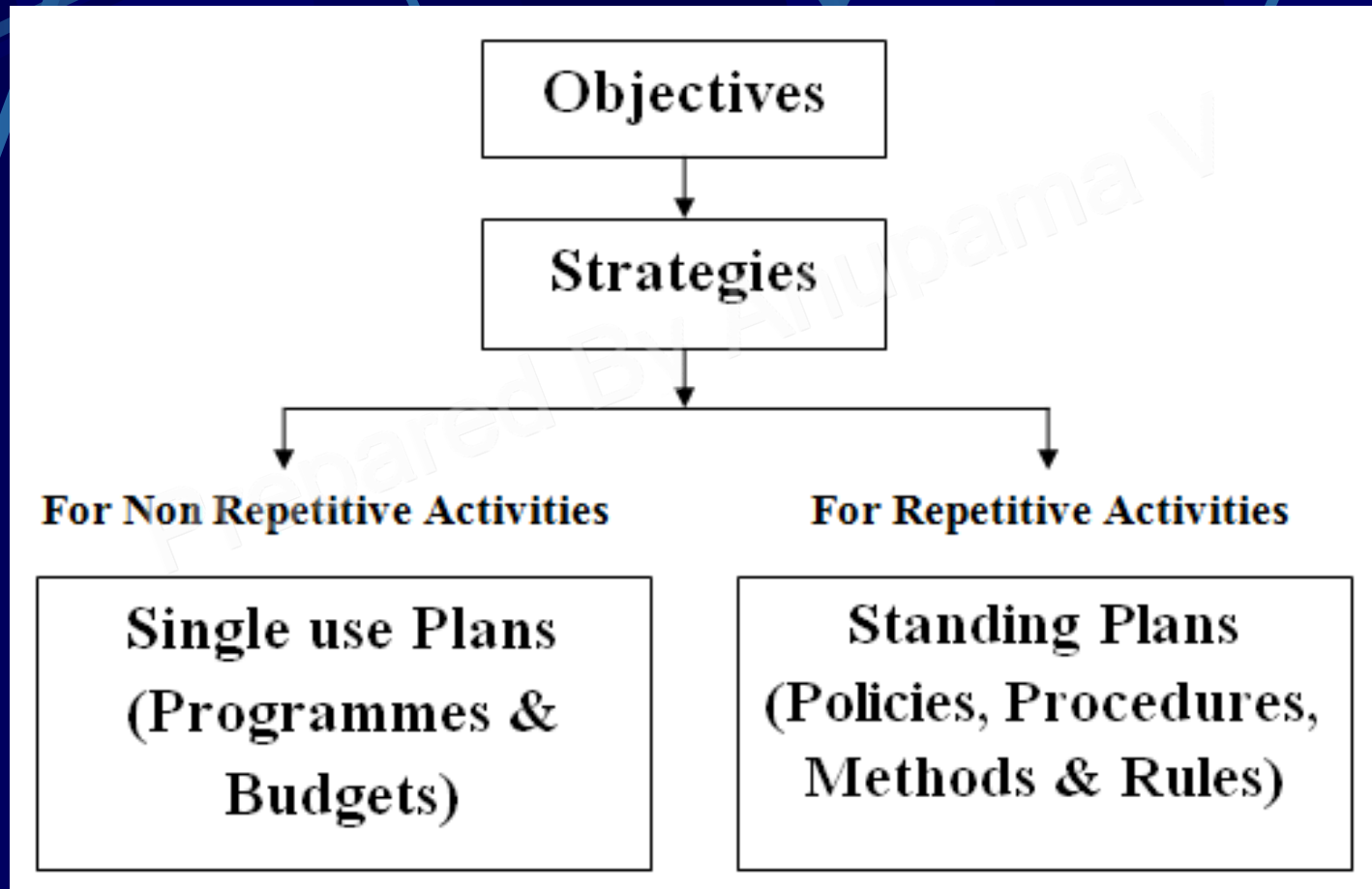
Objectives

- Goals or aims which the management wishes to achieve.
- Specific target to be reached by an organization
- Objective Vs Vision

  Vision is the dream that an entrepreneur creates in his waking hours of his prefer future
- Objective Vs Purpose

  Purpose is primary role defined by the society or a broad aim
- Objective Vs Mission

  Mission is unique aim that sets the organization apart from other of its type

- **Objectives:**
  - ✓ To increase number of intake by 10% by December 2020.
  - ✓ To achieve 100% placement in the current year.
- **Purpose:**
  - Impart education
- **Mission:**
  - ✓ Provide the right environment to develop quality education for all, irrespective of caste, creed or religion to produce future leaders.
  - ✓ Create opportunities for pursuit of knowledge and all round development.
  - ✓ Impart value education to students to build sense of integrity, honesty and ethics.
- **Vision:** what the business's future will look like
  - ✓ To be an Engineering Institute of highest repute and produce world- class engineers catering to the needs of mankind

Characteristics of objectives

- Objectives are multiple in number.
- Objectives are either tangible or intangible.
- Objective have a priority.
- Objectives are generally arranged in a hierarchy.
- Objectives sometimes clash with each other.

Requirements of Sound objectives

- Objectives must be clear & acceptable.
- Objectives must support one another.
- Objective have a priority.
- Objectives must be precise & measurable.
- Objectives should always remain valid.

Advantages of Objectives

- Provide basis for planning.
- Act as motivator.
- Eliminate haphazard action.
- Facilitate coordinated behavior.
- Basis for managerial control.
- Facilitate better management.
- Lessen misunderstanding & conflict.
- Provide legitimacy.

Strategies

- A strategy is a plan which considers environmental opportunities and threats and the organizational strengths and weakness and provides an optimal match between the firm and external environment.

- Two activities involved in strategy formulation are

  - Environmental appraisal

  - Corporate appraisal.

Environmental Appraisal

- **Political and legal factors:** Stability of government, taxation and licensing laws, fiscal policies, restrictions on capital etc.

- **Economic factors:** Economic development, distribution of personal income, trend in prices, exchange rates etc.,

- **Competitive factors:** Identifying principal competitors & analysis of their performance, anti-monopoly laws, protection of patents, brand names etc.

- **Social and Cultural factor:** Literacy level, Religious & social characteristics, rate of urbanization

Corporate Appraisal

- It involves identifying and analyzing company's strength & weakness.

- For example a companies strength may be low cost manufacturing skill, excellent product design, efficient distribution etc.,. Its weakness may be lack of physical and financial resources.

- A company must plan to exploit these strengths to maximum and circumvent it's weakness.

Policies

- A policy is a general guideline for decision making.

- Policy is a verbal, written or implied overall guide, setting up boundaries that supply the general limits and directions in which managerial action will take place.

- Ex1 Advertisement policy: to avoid cut- throat competition with its rivals

- Ex2 Recruitment policy: select the best possible candidate to vacancies

Types of policies
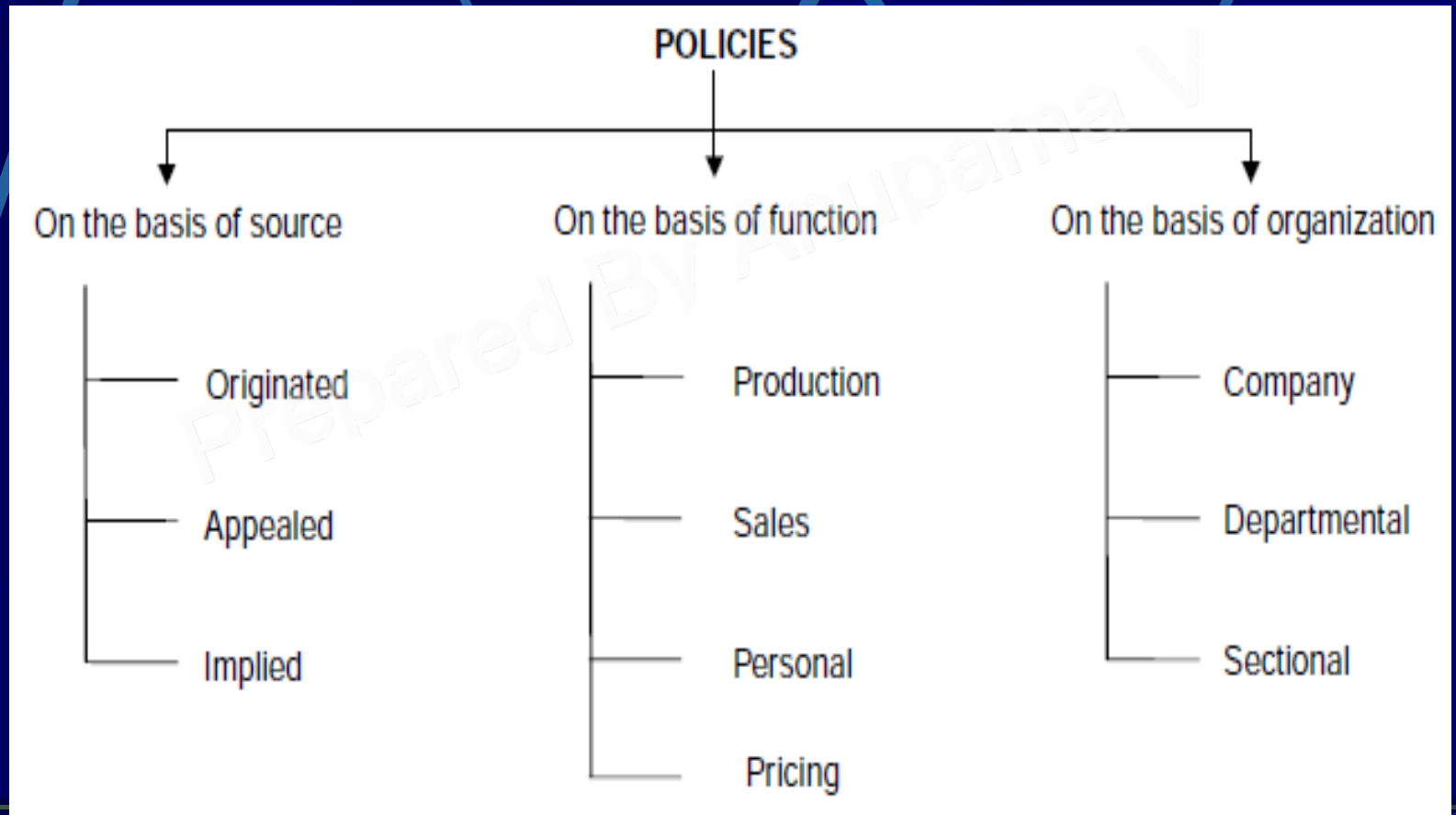
Advantages of Policies

- *Policies ensure uniformity of action at various organization points which make actions more predictable.*

- *Since the subordinates need not consult superiors, it speeds up decision.*

- *Policies make easier for the superior to delegate more and more authority to his subordinates because, he knows that whatever decision the subordinates make will be within the boundaries of the policies.*

- *Policies give a practical shape to the objectives by directing the way in which predetermined objectives are to be attained.*

Procedures

- A procedure provides a detailed set of instructions for performing a sequence of actions involved in doing a certain piece of work.

- Advantages of procedures.
  - They indicate a standard way of performing a   task.
  - They result in simplification and elimination of waste.
  - Procedure improves the efficiency of employees.
  - Procedure serves as a tool of control by enabling managers to evaluate the performance of their subordinates.

Policy v/s Procedure

	policy	procedure
1	Are the general guidelines to both thinking and action of people at higher levels	Are the guidelines to action only usually for the people at the lower levels
2	Help in fulfilling the objectives of the enterprise	Show us the way to implement policies
3	Are generally broad and allow some latitude in decision making	Are specific and do not show latitude.
4	Are often established without any study or analysis	Are always established after thorough study and analysis of work

Methods

- A method is a prescribed way in which one step of procedure is to be performed.
- It means an established manner of doing an operation.
- Methods help in increasing the effectiveness and usefulness of procedures.
- By improving methods, reduced fatigue, better productivity and lower costs can be achieved.

Rules

- The rules are the simplest and most specific type of standing plans.

- Rules are detailed and recorded instructions that a specific action must or must not be performed in a given situation. Rules are more rigid than policies.

- Rules generally pertain to the administrative area of a procedure. Rules demand strict compliance. Their violation is generally associated with some sort of disciplinary action.

Programmes

- Are precise plans or definite steps in proper sequence which need to be taken to discharge a given task.
- It lays down the time to be taken for completion of each step.
- Essential ingredients are time phasing and budgeting.
- Is a complex of objective, policies, procedures, task assignments, steps to be taken, resources to be employed and other elements to carry out a given course of action.
- Single step in a programme is set up as a project
- A schedule specifies the time when each series of actions should take place.

Budgets

- A financial and/or quantitative statement prepared prior to definite period time, of the policy to be pursued during that period, for the purpose of obtaining a given objective.

- A budget is a statement of expected results expressed in quantitative terms i.e. rupees, man hours, product units etc.

- It provides a standard by which actual operations can be measured and variation could be controlled.

- The important budgets are sales budgets, production budgets, cash budgets, and revenue and expenses budgets.

Steps in Planning:

- Establishing Verifiable Goals or Set of Goals to be Achieved.

- Establishing Planning Premises.

  - Internal and External premises.

  - Tangible and Intangible premises.

  - Controllable and non-controllable premises.

- **Internal and External premises.**

(Internal premises include sales forecasts, policies , programmes of the organization, skill of labor,

External premises may be Technological change, Population Growth, Sociological factor, Govt policies & regulation etc..)

- **Tangible and Intangible premises.**

(Tangible examples: population growth, industry demand, capital and resources. Intangible: political stability, sociological factors, business and economic environment)

- **Controllable and non-controllable premises.**

(uncontrollable factors: strikes, wars, natural calamities, emergency, and legislation etc.

controllable factors: company's advertising agency, competence of management member's skill of the labor force, availability of resources in terms of capital and labor,)

Steps in Planning:

- Deciding the Planning Period.

  - Lead time in development & commercialization of new product.
  - Time required to recover capital investments or pay back period.
  - Length of commitments already made.

- Finding Alternative Course of Action.

- Evaluating and Selecting a Course of Action.

- Developing Derived Plans.

- Measuring and Controlling the Progress.

Organization Definition

- An organization can be defined as a social unit or human grouping deliberately structured for the purpose of attaining specific goals.

- An organization can also be defined as the process of identifying and grouping of the work to be performed, defining and delegating responsibility and authority and establishing relationships for the purpose of enabling people to work most effectively together in the accomplishment of their objectives.

Characteristics of an Organization

- Has a purpose, goal or goals.

- Has a clear concept of major duties or activities to achieve the purpose.

- Classification of activities into jobs.

- Establishment of relationship between these jobs.

Nature of Organization

- ❑ **People:** An organization is basically made up of group of people, i.e., an identifiable group of people contributing their efforts towards the attainment of goals.

- ❑ **Common purpose:** Organization exist to achieve certain objectives and people of an organization share this common purpose.

- ❑ **Co-ordination:** There is a mechanism of co-ordination among people and different part of the organization.

Nature of Organization

- **Authority:** There are different hierarchy levels in an organization which defines authority of people.

- **Division of work:** The total work of an organization is divided into smaller activities in the form of different functions & sub functions

- **Environment:** organization are part of a large environment and therefore they are influenced by external environment

Purpose of Organization

- ***To facilitate pattern of communication:*** By grouping activities and people, structure(organization) facilitates communication between people centered on their job activities.

- ***To allocate authority and responsibility:*** It specifies who is to direct whom and who is accountable for what results. The structure helps the organization members to know what his role is and how it relates to others role.

- ***To locate decision centers:*** Organization structure determines the location of decision making in the organization.

  For example, a departmental store may leave pricing decision to the lower level manager while in oil refinery pricing decision is at top level.

- ***To create proper balance***: Organization structure creates the proper balance and emphasis of activities. People responsible for the enterprise success might be placed higher in the organization.

Purpose of Organization

- ***To stimulate creativity:*** Organization stimulates independent, creative thinking and initiative by providing well-defined areas of work with broad attitude of the development of new and improved ways of doing things.

- ***To encourage growth:*** The organization structure provide framework within which an enterprise functions. If the organization structure is flexible, it will help in meeting challenges and creating opportunities for growth.

- ***To make use of technological improvements:*** A sound organization structure which is adoptable to changes can make the best possible use of latest technology.

Types of Organization

- Based on official recognition
  - Formal organization
  - Informal organization
- Based on internal structure
  - Line organization
  - Functional organization
  - Line & Staff organization
  - Committee organization

Differences between Formal & Informal Organization

Item	Formal Organization	Informal Organization
Origin	Official and started with definite purpose	Unofficial & developed naturally, based on individual & group goals
Structure	Definite structure with clearly defined authority & responsibility relationship	No formal structure
Control	Formal rules & regulation	Group norms
Communication	Formal & official channels of communication	Grapevine
Size	Can grow to very large size	Generally very small

MANAGING DIRECTOR

FORMAL ORGANISATION

Informal organisation: Cricket team

MANAGERS

SECTION HEADS

FOREMEN / SUPERVISORS

FOREMEN / SUPERVISORS

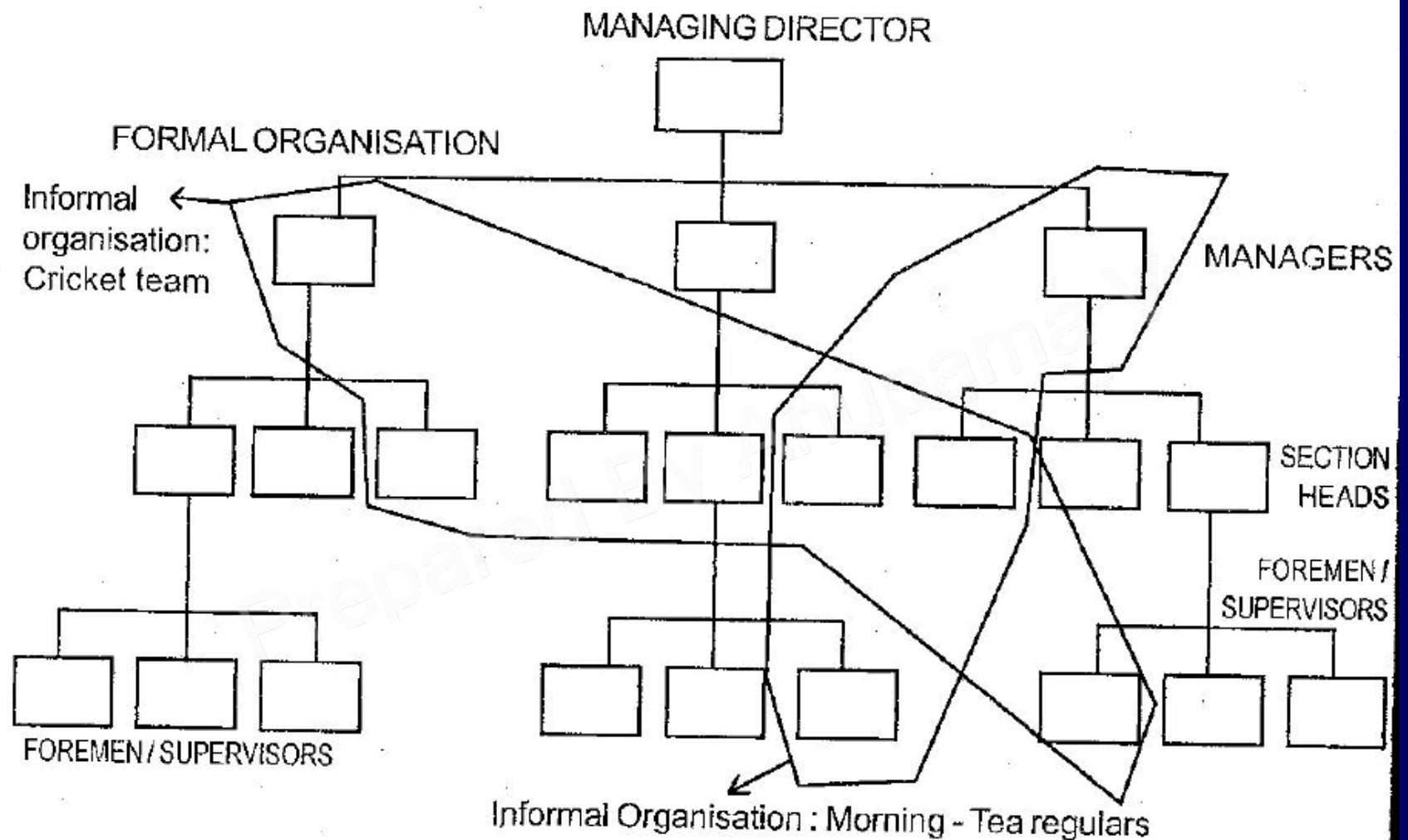Informal Organisation : Morning - Tea regulars

Fig 3.1 Formal and Informal organisations

Line organization

- It is the basic framework for the whole organization.

- It represents a direct vertical relationship which authority flows.

- This is a vertical structure one person delegate's authority to his subordinate & who in turn delegates to his subordinate & so on.

Line organization

The advantages of line organization are

- Simplicity
- Quick decision and speed of action.
- Unity of control.
- Clear division of authority and responsibility.
- Discipline and better coordination
- Direct communication.

Line organization

The disadvantages of line organization are

- The organization is rigid and inflexible
- Being an autocratic system, managers may become dictators and not leaders.
- There is scope of favour-ism and nepotism.
- Red-tape and bureaucracy.
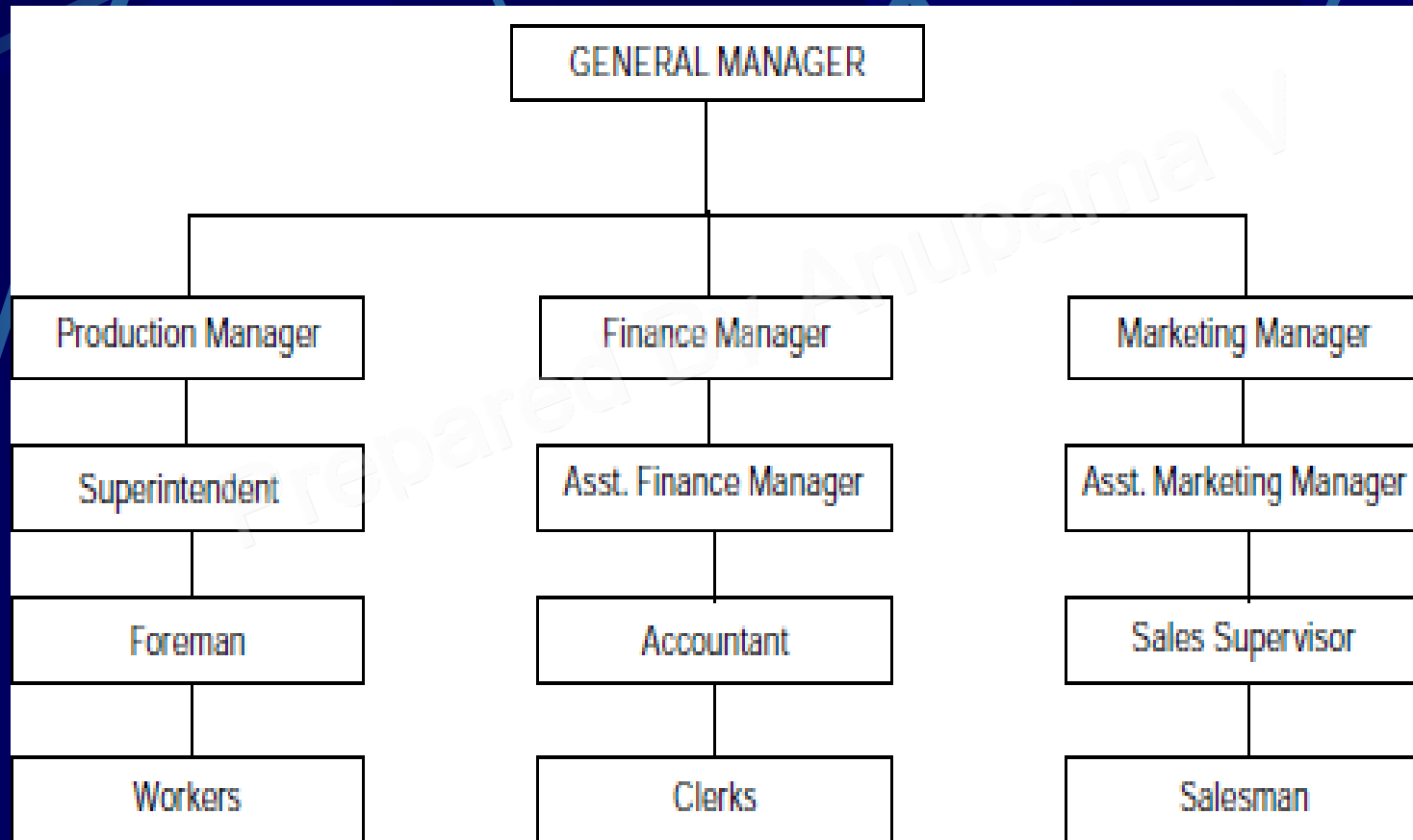- Lack of specialization.

Line organization

Fig. 3.4: Line organization

Functional Organization

- In functional organization the specialists are made available in the top positions throughout the enterprise.

- A functional in charge directs the subordinates throughout the organization in his particular area of business operation.

Functional Organization

The advantages of functional organization

- Specialization.

- Reduces the burden on the top executives.

- Offers greater scope for expansion.

- A functional manager is required to have expertise in one function only. This

- Makes it easy for executive development.

Functional Organization

The disadvantages of functional organization

- Violates principles of unity of command.
- The operation of functional organization is too complicated.
- It develops specialists rather than generalists.
- Lack of coordination among functional executives which delays decision making.
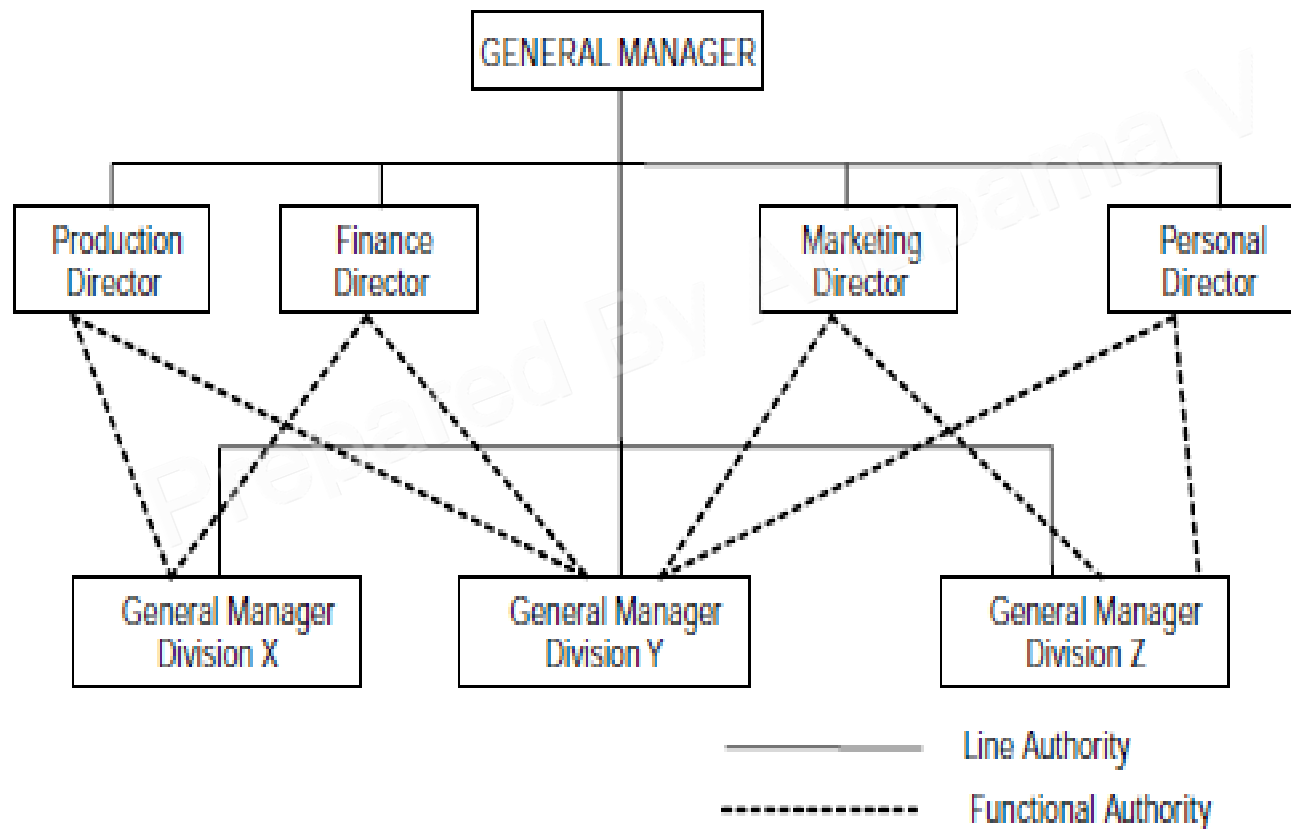
Functional Organization

Fig. 3.5: Functional organization

Line and Staff Organization

- In line and staff organization, the line authority remains the same as it does in the line organization.

- In addition, the specialists are attached to line managers to advice them on important matters.

- The staff officials do not have any power of command in the organization as they are employed to provide expert advice to the line manager.

Line and Staff Organization

The advantages of line and staff organization:

- Specialized knowledge

- Reduction of burden on line managers.

- Better decisions, as staff specialists help the line managers

- Unity of command

- Flexible when compared to functional organization.

Line and Staff Organization

The disadvantages of line and staff organization:

- Allocation of duties between line and staff is not clear.

- There is generally conflict between line and staff executives.

- Since staffs are not accountable, they may not be performing well.

- Difference between orientations of line and staff. Line executive's deals with in problem
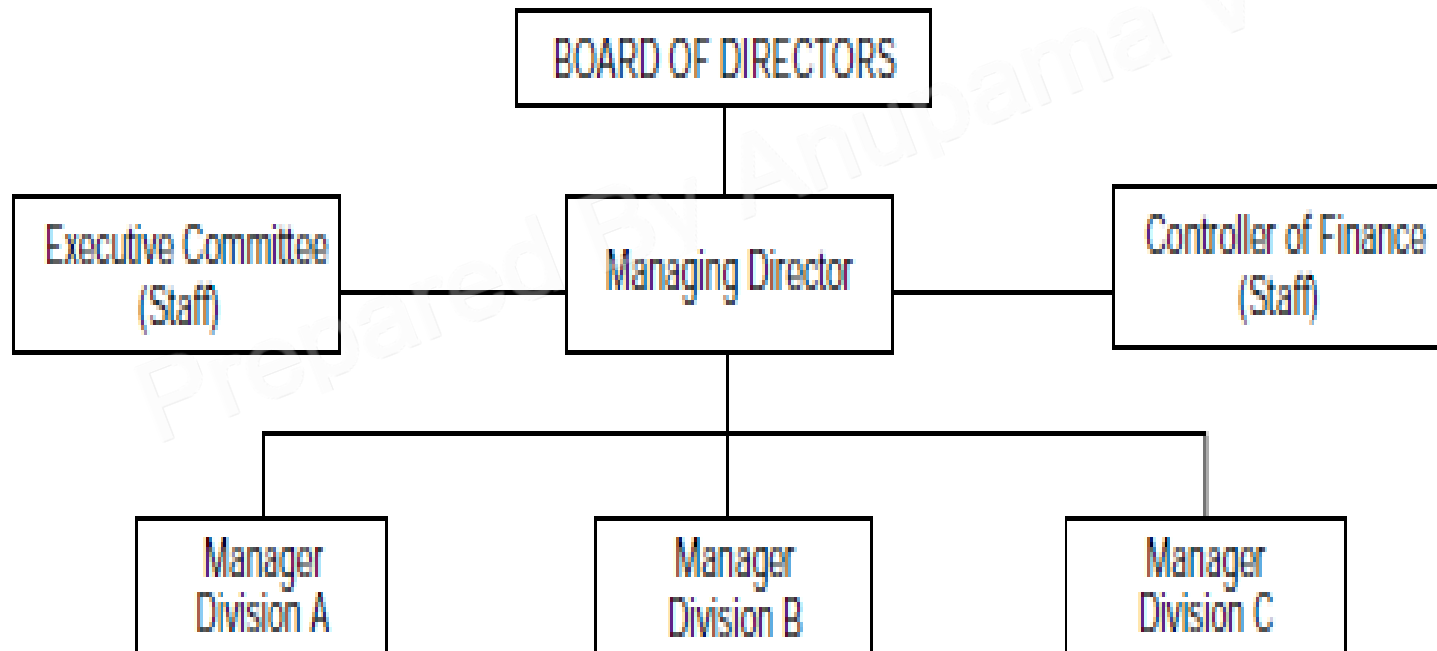
Line and Staff Organization

Fig. 3.6: Line and staff organization

COMMITTEES:

A committee is a group of people who have been formally assigned some task or some problem for their decision and implementation.

Classification of committees:
- Advisory committees
- Executive committees.

These two committees may have same individuals as members. Their functions are separated by time, place, and title.

- Standing committee
- Ad hoc task force

Advisory committees:

1. Committees are vested with staff authority
2. Only have a recommendation role and cannot enforce implementation of their advice or recommendation.
3. Examples of advisory committees formed in business enterprises: works committees, sales committees, finance committees etc.

Executive committees:

1. Vested with the line of authority
2. Not only take decisions but also enforce decisions and thus perform a double role of taking a decision and ordering its execution.
3. Example: Board of directors is an example of an executive committee. Are also classified as standing committees or ad-hoc task forces.

- **Standing committees**: Are formed to deal with current organizational problem. Example: finance committee in a company, loan approval committee in a bank etc. Members of this committee are chosen because of their title or position, instead of individual qualifications or skills.
- **Ad-hoc committees**: Have a short duration, dissolved after the task is over, or the problem is solved and their members are chosen for their skills and experience.

STAFFING

The function of staffing is defined as:-

- "Filling and keeping filled various positions in the organization structure".

- This includes "identifying work force requirements, inventorying the people available, recruiting, selecting, placing, training, promoting, apprising etc…

Importance of staffing

- Staffing ensures higher productivity by placing the right man in the right job.
- It helps to avoid disruption of production schedule due to shortage of staff.
- It helps to prevent under utilization of personnel through over manning and reduces cost of production.
- It identifies talented and competent people and places them in correct position.
- It trains the people and helps them to move up in the organizational structure.

RECRUITMENT

- Recruitment can be defined as the process of **identifying the sources** for prospective candidates and stimulate them to apply for the job.

  i.e it is the process of attracting employees to the company.

  Before the process of recruitment, the management should have proper plan on :

- Number of employees to be recruited.

- The qualification of employees required.

- The time frame need to recruit.

- The process of recruitment and the cost involved in it depend on the size of the enterprise and the type of persons to be recruited.

Sources of recruitment:-

The sources of recruitment can be broadly classified into two categories:

- Internal sources.
- External sources.

Internal sources:

- Internal sources involve transfer and promotion.
- Transfer involves the shifting of an employee from one job to another.
- Many companies follow the practice of filling higher jobs by promoting employees who are considered fit for such positions.
- Filling higher positions by promotion motivates employees, boosts employee's morale.

External Sources

- ***Direct recruitment:*** An important source of recruitment is direct recruitment by placing a notice on the notice board of the enterprise by specifying the details of the jobs available. This is also known as recruitment at factory gate.

- ***Unsolicited applications:*** Many qualified persons apply for employment to reputed companies on their own initiative. Such applications are known as unsolicited applications.

External Sources

- ***Advertising:*** Large enterprises particularly when the vacancy is for higher post or there are large number of applications use this source where advertisements are made in local and national level newspapers.

- ***Employment agencies:*** This is the good source of recruitment for unskilled and semiskilled jobs. The employment exchanges bring job givers in contact with job seekers.

SELECTION

- Selection refers to evaluation of the candidates with respect to their qualifications and the job requirements and those who satisfy the requirements are only selected.

- **Selection criteria**: these are established usually on the basis of current and some future job requirements. These criteria's include educational qualifications, knowledge, skills, experience etc..

- **Application form:** the candidates are required to complete an application form. In this form applicant gives relevant personal data.(qualification, specialization, experience, personal interests etc..) . The applications are carefully scrutinized to decide the suitable applicants to be called for next stage of selection.

- **Screening interview**: those who are selected on the basis of application form are called for initial screening interview.

- This interview is the most important means of evaluating the poise or appearance of the candidate. It is also used for obtaining informal clarification given in the application form.

- **Employment tests**: for further assessment of a candidate's nature and abilities some tests are conducted. These tests include

- Intelligence test.

- Proficiency and aptitude test.

- Vocational test.

- Personality test.

- **Group discussion:** this test is conducted to assess the candidate's communication and presentation skills, interpersonal skill, leadership qualities and ability to pull on in a team work.

- **Checking references**: if candidate is found satisfactory in the above tests, employer may like to get some important personal details about the candidate, such as his character, past history, background etc..

- **Physical or medical examination**: it is carried out to assess the physical fitness of the candidate for the present job.

- **Final interview**: this interview is conducted for those who are ultimately selected for employment. In this interview, the candidates are given an idea about their future prospects within the organization.

- **Appointment order**: appointment orders are given to finally selected candidates, giving the position offered, scale of pay and other benefits and terms and conditions of employment.

RECRUITMENT AND SELECTION