

---

## **UNIT 4 Staffing/ Personnel Management/Human Resources Management**

---

### **Contents**

4.0. Aims and objectives

4.1. Introduction

4.2. Meaning of Staffing

4.3. Major Principles of Guides of Staffing

4.4. Activates of the Staffing Function

### **4.0. Aims and objectives**

In the preceding three units you have examined the fundamental concepts about management, how the study of management thought evolved through

In this unit you will examine one of the functions of management or human, you should be able:

- Explain the meaning of staffing
- Identify the understand the principle of staffing;
- Understand the activates of the staffing function;
- Understand the legal aspects of human resource management; and
- Identity a letter perforcement appraisal tool and be ready to use it

### **4.1. Introduction**

As a function of management, staffing needs a through examination and understanding. Manpower planning and organizing depends on staffing if they are to be implemented effectively. In view of this, you are required to examine and study the unit having the above listed objectives in mind

### **4.2. Meaning of Staffing**

Staffing is the proper and effective planning of manpower requirement and development of personnel to perform the duties and responsibilities specified by the organization.

### **4.3. Major Principles of Guides of Staffing**

Even though there are no universally accepted staffing principles, the following are useful as guidelines for understanding the staffing function

#### **4.3.1. Guides related to the Purpose of Staffing**

##### **a). The Principle of the objectives of Staffing**

This principle refers to the need to ensure that organizational roles are filled by qualified personnel who are able and willing to occupy them (H.Koontz, 1989).

##### **b). The Principle of Staffing**

According to this Principle the clearer the definition of organization roles and their human requirements, the better the techniques of manager appraisal and training employed, the higher the managerial quality. This principle stresses the importance of desire and ability to undertake the responsibilities of personnel management. If one lacks in these qualities, failure to achieve results would be evidenced.

The other fact about this principle is that it rests upon all-important body of knowledge concerning management practices. Organizations that have no established job definitions, no effective of appraisals, and no system for training and development will have to rely on coincidence or outside sources to fill positions with able managers. On the other hand, enterprise applying the systems approach to staffing will utilize the potentials of individuals in the enterprise effectively and efficiently.

#### **4.3.2. Principles Related to the Process of Staffing**

##### **a). The Principle of Job Definition**

The more precisely the results expected of managers are identified, the more the dimensions of their position can be defined.

##### **b). The Principle of Managerial Appraisal**

The more clearly verifiable objectives and required managerial activates are identified, the more precise can be the appraisal of managers against these criteria.

This principle suggests that performance should be measured both against verifiable objectives as in an appraisal approach based on managerial activates within the functions of planning, organizing, staffing, leading, and controlling are carried out.

**c. The Principle of Open Competition**

The more an enterprise is committed to the assurance of quality management, the more it will encourage open competition among all candidates for management positions.

Violation of this principle has led many firms to appoint managers with inadequate abilities. Although social pressures strongly favor promotion from within the firm, these force should be resisted whenever better candidates can be brought in from outside. At the same time, the application of this principle obligates an organization to appraise its people accurately and to provide them with opportunities for development.

**d. The principle of Management Training and Development**

The more management training and development are integrated with the management process and enterprise objectives, the more effective the development programs and activities will be. This principle suggests that, in the system approach, training and development efforts are related to the managerial functions, the enterprise, and the professional needs of managers.

**e. The Principle of Training Objectives**

The more precisely the training objectives are stated, the more likely are the chances of achieving them.

The analysis of training needs is the basis for training objectives that give direction to development and facilitate the measurement of the effectiveness of training effort. This principle brings into focus the contribution that training makes to the purpose of the enterprise and the development of individuals.

**f. The Principle of Continuing Development**

The more an enterprise is committed to managerial excellence the more it requires managers to practice continuing self-development. This principle suggests that in a fast-changing and competitive environment, managers must get cannot managerial knowledge continuously, reevaluate the managing, and improve their managerial skills and performance to achieve enterprise results.

#### **4.3.3. Check your progress**

Answer the following questions in your notebook. Do not refer the text while writing your answers. However, at the end, look into the text and check how many of the questions you have answered correctly

- a). What does staffing mean?
- b). In principles, why do we need to define jobs?
- c). In principles, why do we need to define jobs?
- d). What are the bases for managerial appraisal?
- e). The principle of open completion in staffing must not be violated what is the
- f). What does the principle of continuing development suggest?

#### **4.4. Activates of the Staffing Function**

##### **4.3.1. The Human Resource or Personnel Department**

The staffing function involves three separate but interrelated activates. Human resource management as a function, is an activity that is handled by a staff official whose primary duty is assisting and advising line managers. The ultimate authority for making staffing and other human resources decisions rests with the line managers who rely upon the expertise of the personnel department to provide major assistance in recruiting, testing, conducting screening interviews, training, facilitating the performance appraisal process, and proposing solution to grievances and disciplinary problems (Kurtz, pp. 245-246).

##### **4.3.2. Human Resource Planning/Manpower Planning**

Manpower planning is the development of a comprehensive staffing strategy for meeting the future human resource needs of an organization. It is the process of determining how an organization by getting the right number of qualified people into the right job at the right time(Rue and Byars, 1002, p. 294) should move from its current manpower position to its desired position. The manager strives to have the right number and the right kinds of people at the right time and place according to the plan.

Human resource planning consists of the following activities.

- a). Forecasting future manpower requirement.

This is done in terms of mathematical projection in by comparing projected demand and projected supply.

- b. Assessing current needs by making an inventory of present manpower.

Job analysis is carried out and job descriptions are also examined. Job analysis is the process of determining the fundamental elements of jobs through systematic observation and analysis by a team of trained specialists. Job description is a clear and concise summary of the duties of a specific job and the qualification for holding it. Job descriptions are useful staffing tools for achieving productive individuals that fit the organization.

- c. Anticipating manpower problem by projecting present resources into future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively.
- d. Planning the necessary programs of recruitment, selecting, training, development, utilization, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

Human resource planning leads to the maximum utilization of human resources, reduces excessive labour turnover and high absenteeism; improves productivity and helps in achieving the objectives of an organization.

Human resources planning is important for an individual because it helps him to improve his skills and utilize his capabilities and potential to the utmost. It is important for an organization because it improves its efficiency and productivity. It is only through initial manpower planning that capable hands are made available for promotion in the future.

#### **4.4.3. Recruitment and Selection**

Recruitment is a process of getting potential employees willing to apply for a job or jobs in an organization. Its aim is to develop and maintain adequate manpower resources upon which an organization can depend when it needs additional employees. (K.K. Ahuja, 1998:43)

##### **a. Sources of Manpower**

In general, there are two sources from which employees can be recruited

**i). Internal sources**

Personnel already on the pay roll of an organization (present force) when a vacancy occurs, somebody from the existing force can be upgraded, transferred, promoted or sometimes demoted.

Personnel that were once on the payroll, such as those on leave of absence, those who quit voluntarily or those on production lay-off can be used as internal sources.

**ii) External sources**

- New entrants to the labor force
- The unemployed
- Retired experienced persons
- Others in the labor force such as married women.

**b. Methods of Recruitment**

- i). Direct methods. Recruiting from educational and professional institutions
- ii). Indirect methods. Advertising in newspapers, on the radio, in trade and professional journals.
- iii). Third-party methods-using commercial or private employment agencies, state agencies placement of schools, colleges, and professional associations, friends, relatives, etc.

**c. Selection Procedures**

The completeness of the procedure depends upon the following factors:

- a. the nature of selection;
- b. the length of the probationary or trial period. The longer the period, the greater the uncertainty in the mind of the selected candidate about his future.

**d. Steps in Selection Procedure**

- i). Reception and preliminary screening from application.
- ii). Application-blank-a fact finder which helps one in learning about an applicant's background and life history.
- iii). A well conducted interview to explore the facts and get at the attitudes of the applicant and his familiarity to the job and the company.
- v). A physiological testing to explore the surface area and get an objective look an a candidate suitability for a job.
- iv) A reference check (by mail, telephone, in person)

---

#### 4.4.4. Check your progress. Follow the instruction given in 4.3.3.

---

- a. What is the responsibility of the personnel department? Is it a department of line authority?
- b. What are the activates of the human resource planning?
- c. What does recruitment mean?
- d. How many sources of manpower are there? Name them and explain each.
- e. What are the three methods or recruitment?
- f. Refer to a dictionary and define the word probationary.
- g. Write down the steps in a staff selection procedure.

Position with a defined responsibility get him/her do the job. To be considered useful, an individual has to contribute his/ her share to the achievement of the objectives of the organization

#### 4.4.5. Staff Utilization

Staff utilization is the placing of a new employee on a position with a defined responsibility to get him/ her do the job. To be considered useful, an individual has to contribute his/ her share to the achievement of the objectives of the organization.

**a. Placement and Induction.** Placement is enabling an employee to take his/ her position. This is followed by an orientation program which is known as induction. The employee is made to learn about the organization in order to adjust himself/ herself without difficulty.

**b. Promotion-** Covers a change of position which calls for greater responsibilities, and usually involves higher pay, better terms and conditions of service, and therefore, a higher status.

##### i) Purposes of Promotions

Promotion are usually given:

- to put the worker in a position where he will be of greater value to the organization and where he may derive increased personal satisfaction and income from his work;

- to remove a worker from his job as an alternative to avoid the embarrassment of firing or demoting him;
- to recognize an individual's performance and reward him for his work so that he may have an incentive to go ahead. Employees will have little motivation if better jobs are reserved for outsiders;
- to build up morale, loyalty, and sense of belonging on the part of employees;
- to promote job satisfaction among the employees and give them an opportunity of unbroken, continuous service;
- to attract suitable and competent workers for the organization
- the usual promotion policy takes merit ( length and quality of service, education, previous work history, etc) into consideration. Many organizations have a promotion policy that considers seniority as well.

#### **ii). Methods of Promotion**

- Promotion by seniority is preferred by trade unions and most employees because:
  - The system is simple to understand and operate;
  - It recognizes the older members need for respect;
  - It promotes discipline and morale in the organization, for all are assured that promotion will come when it is due.
- The system of promotion by merit has the following benefits;
  - Since it is based on evaluation results, it rewards meritorious work, extra competence, achievement and initiative;
  - It encourages an employee to work hard so that he may get an opportunity for advancement in the organization;
  - It leads to increased productivity, for individuals are satisfied that their merit and competence will be properly appreciated and rewarded.

#### **c. Demotion**

Demotion is a staff utilization activity that is more of a punitive measure. An employee who is demoted is lowered down of his/ her status, salary and responsibility when serious breaches of duty are found and proved

The effect of demotion is serious. It causes frustration and leads to a defensive or even aggressive behavior on the part of the demoted employee. So many managers choose discharging employees rather than facing the problems that arise from demotion.

If there is a strong need to demote an employee, the following are suggested as a policy:

- i). a clear and reasonable list of rules should be framed with an aim of making employees understand that the violation of these rules would lead to demotion;
- ii). The rules must be clearly communicated to employees;
- iii). Before taking any steps, competent investigation must be carried out on any alleged violation of rules;
- iv. if violation are discovered, there should be constant and equitable application of the penalty, preferably by the immediate supervisor
- v). there should be provision for review, or an opportunity for appeal to a higher authority

There are certain situations that cause or necessitate demotion. Examine the following.

- i). The combining of departments which results in the elimination of jobs, a situation which forces employees to accept lower-level position until normalcy is restored;
- ii). Inadequate job performance, attitude and capability on the part of employees.
- iii). Change of technology, methods and practices, in which case old hands become unable to adjust; ill health or other personal reasons.
- iv) Demotion should never be made as a penalty for a violation of the rules of conduct, poor attendance record or insubordination; this cannot improve the performance of the individual. Only discipline and training can set the things right.

**d. Transfer** is a horizontal or lateral movement of an employee from one job, section department, shift, plant or position to another place where salary, status, and responsibility are the same. It is not promotion or demotion or a change in job status other than movement from one job to another.

#### **Types and Purposes of Transfer**

- a. Versatility transfer-** is carried out to give the worker varied and broader experience; it is done also to bring about job enrichment.
- b. Plant transfer-** is carried out to adjust the work force of one plant to that of another when one is closed down.
- c. Replacement transfer-** is carried out to relieve an employee by replacing him with a new employee
- d. Shift/ personal transfer-** is carried out to help employees work according to their conveniences so far as timings are concerned. It is done to meet employees' request.
- e. Remedial transfer-** is carried out to use the employee effectively and make him more productive than before.
- f. Flexibility transfer-** is carried out to satisfy the human power needs of an organization.

---

#### **4.4.5. Check your progress Follow the instruction given in 4.3.3.**

---

- a). What does staff utilization mean
- b). What does placement mean?
- c). What does promotion mean?
- d). What are purposes of promotion?
- e). What are the two commonly used bases of promotion?
- f). What is demotion?
- g). What should be the policy of an organization if it has a strong need to demote employees?
- h). What causes or necessitate demotion
- i). Define transfer and identify the types of transfer

#### **4.4.7 Staff or Personnel or Manpower Training and Development.**

##### **a. Definition of Training, Development, and Education**

Training is a process of learning a sequence of programmed behavior. It is an application of knowledge which gives people an awareness of the rules and procedures to guide their behavior. It aims at improving the performance of employees on their current job or preparing them for an intended job. The imparting of information (knowledge) or skill could be done through instruction or drill (Page are, 1981:369).

Many people find it very difficult to differentiate between training, development and education. Of course, precise definitions are not possible; even if tried, the result would be misleading. But for the present purpose the following would suffice.

Development is a related process that covers not only those activities which improve job performance, but also those that bring about growth of the personality of the individual that undergoes the development program. Development aims at helping individuals to progress towards maturity and realization of their potential capacities so that they become not only good employees, but better men and women.

Education, on the other hand, is the understanding and interpretation of knowledge. Education develops a logical and rational mind that can determine relationships among pertinent variables and thereby understand situations and phenomena. It involves skills and expertise which can be provided by educational institutions (C.B. Mamoria, 1998:307-308).

Training is a short-term process following a systematic and organized procedure by which non-managerial personnel gain technical knowledge and skills for a definite purpose, while development is a long-term educational process utilizing a systematic and organized procedure by which managerial personnel learn conceptual and theoretical knowledge for general purpose (C.B. Mamoria, 1998:308).

### **b. The Importance of Personnel Training and Development**

Any organization needs to have well trained and experienced people to perform the activities that have to be carried out to achieve set objectives. Nowadays, jobs in organizations are becoming more complex. This situation increases the importance of personnel training and development. So it can be said that in a rapidly changing society, employee training and development is not only an activity that is desirable, but also an activity that an organization must commit resources to, if it is to maintain viable and knowledgeable work force. It makes employees more productive (C.B. Momoria, 1998: 30-307).

### **c. The Need for Training**

Training is necessary because of the following reasons.

- i) Trained personnel are not available. To fill the gap, employees must be trained.
- ii) Since one of the inherent needs of enterprises is surplus production, increasing productivity would be possible if training is given.
- iii) Proficiency in latest methods and techniques of production would bring about higher output of quality goods and better use of resources.
- iv) Trained personnel would develop job satisfaction and this can improve organizational climate.
- v) Through training the health and safety of employees can be improved, because the development of skills would result in dexterity and reduced accidents.
- vi) Training enables personnel gain individual growth and prevent manpower obsolescence (page are, 1981; C.B. Mamoria, 1998:309-310).

### **d. Scope of Training**

The scope of training needed for employees depends on their qualifications, skills, experiences and the nature of work they perform. The training needs of ordinary workers or operatives whose jobs do not call for any particular administrative or supervisory skills include:

- i) orientation or induction;

- ii) on-the-job training in safety devices;
- iii) sales service or other special purpose training.

Supervisory staff need an additional training in personnel management. Middle level managers need more theoretical knowledge than the practical one. Top managers need to be trained in the fundamental principles of management and management functions. A sales manager who is promoted to be general manager needs to be trained in labor relations, financial management, production management, public and government relations, etc. (Page are, 1981:373).

#### **e. Steps in Training Programmes**

##### **i) Discovering or identifying training needs**

This step involves three tasks:

- task description analysis-This involves listing the duties and responsibilities of the trainee;
- listing the standards of work performance on the job; and
- carrying out an organizational analysis

##### **ii) Determining training needs**

This step involves three tasks:

- comparing actual performance against standards;
- determining what parts of the job are giving the employee a hard time; in other words, operations analysis must be carried out;
- determining what kind of training is needed to overcome the specific difficulty or difficulties; that is, who needs to be trained and what skills, knowledge or attitudes should be improved.

Training needs may be discovered in many different ways:

- By identifying specific problems such as productivity, high costs, poor material control, poor quality, excessive scrap and waste, etc.
- By anticipating impending and future problems bearing on the expansion of business, the introduction of new products, new services, new designs, new plant, etc.
- By management request; i.e., the supervisors and managers may make specific request for setting training programmes.

- By interviewing and observing the personnel on the job.
- Through performance appraisal and analysis of the past performance records of the prospective trainee's and comparing his actual performance with the target performance.
- Using questionnaires, checklist, morale and attitude surveys and test of the interpersonal skills through handling of past cases and incidents may also reveal training needs (C.B. Mamoria, 1998:322-323).

#### **f. Types of Training Methods or Techniques**

employees can be trained through different types of training programmes, methods or techniques. The following are some of the personnel training programs/methods/techniques.

##### **i) On-the-Job-Training.**

This training is conducted systematically while the employee working in the organization. The employee learns skills, abilities, facts and develops attitudes which enable him/her to advance organizational and personal goals.

When the job to be learned is relatively simple, and special classes or instructors are unnecessary, the immediate supervisor or another experienced worker can handle the training. This makes it very simple and economical.

##### **ii) orientation**

to the new recruit and person who moves up the ladder due to promotion, orientation is very important. It aims at:

- making clear to the employee the terms of his employment;
- communicating to him all the job requirements;
- inspiring in him/her confidence both in the organization he/she has joined as well as in his own ability to learn and perform on the job.

While the personnel department can help in this orientation, line management must primarily ensure that the subordinates assigned to this department are adequately oriented.

The other step that can be taken to ensure that the selected person becomes a useful member of the organization is induction-is induction an initiation of the new employee into the

organizational set up so that he/she views that organization in its proper perspective. This is based on the fact that the most lasting impressions are those one gets on the first few days. A proper welcome and encouragement can help build a person's loyalty to and knowledge about the organization and increase his/her efficiency.

The induction programme may consist of the following:

- introduction to the organization
- briefing on conditions of service
- introduction to the officers of the department and visit to the work location and environment.
- Introduction to the job including description of the job, location of the work and approach to the job; fire alarm, breakdown signals and other safety precautions are explained; method of recording attendance is also indicated and explained.

### **iii) Off-the-Job Training**

This is any form of training conducted away from the individual's work area. This approach is utilized in instances in which the participation of the new worker would slow production and/or be potentially dangerous.

In such instances the organization can construct a training area equipped with similar machines and processes as those found on the job. This approach, called vestibule training, is designed to build skills by allowing the individual to perform the work under the supervision of a trainer before being assigned to the actual work area.

It is also typically used when the employee must gain a considerable body of knowledge and theory before beginning the job. Classroom training programs utilize traditional techniques of lectures, programmed instruction materials, seminars, case studies or learning by doing, role playing, conferences, films, and other audio-visual aids, as well as special machines to develop the necessary skills before the individual is assigned to the work area (C.B. Mamoria, 1998: 336-342).

### **iv) The Apprenticeship Training**

This is widely used in training plumbers, promoters, construction laborers welders and barbers. The training can last three to five years and therefore requires time and expense commitment by both trainees and the firm.

Apprentice programmes are a combination of both on-the-job and off-the-job training. The on-the-job portion consists of instructions from an experienced employee traditionally called journey man or now known as mentor, whom the trainee observes, assists and learns through practice.

**v) Counseling as Training Aid**

- **Periodical counseling**

Periodical counseling on the basis of the Performance Appraisal can considerably help in personnel development. The merit or performance reviews provide the commonest form of industrial counseling. After evaluating his/her subordinate, the supervisor must inform him/her his/her impressions regarding the subordinate's performance. This free communication can generate better understanding and future motivation and maximize-self improvement.

- **Psychological Consultation**

At times, it might be necessary to use psychological consultation and discussion to secure greater insight and understanding regarding the subordinate's own behavior and motivational needs. By adopting the modern principles of learning, the psychologist can then help the employee modify and change his behavior towards the right pattern. Where the employee's problems are increased by some thing on the job or by being placed under an unsuitable supervisor, the psychologist can recommend even a shift in the employee's assignment to provide a better environment to such employee in the general interest of the organization's results.

**g. Characteristics of a Good Training Programme**

A good training programme must:

- i) allow for individual differences in ability, learning capacity, interests and temperamental and emotional make-up of trainees;

- ii) be relevant to job requirements;
- iii) determine the training needs of employees;
- iv) have suitable incentives (monetary and non-monetary);
- v) be supported by the management; and
- vi) teach both theory and practice simultaneously (Page are, 1981: 376-377).

#### **h. Training Responsibility and Evaluation**

Training is both a line and staff responsibility. Both the line manager under whom the employee is working, and the training specialist from the personnel department can play important roles. Since both are responsible for the training of individual employees, each must accept as his/her prime responsibility the development of his subordinates.

It is also necessary to evaluate the existing training facilities and measure their effectiveness. The cost of training can be more easily ascertained than the benefits resulting from such training.

---

#### **4.4.8 Check Your progress. Follow the instruction given in 4.3.3**

---

- a) Define the following:
  - i) training
  - ii) development
  - iii) education
- b) Why is it important for organizations to train employees?
- c) What necessitates training? State at least six points.
- d) What basic requirements decide the scope of training needed for employees?
- e) What kind of training do operatives or ordinary workers need?
- f) What kind of training do supervisors need?
- g) In what areas must a general manager be trained?
- h) What are the two major steps in training programmes?
- i) How can an organization discover training needs?
- j) Define the following training techniques or methods:
  - i) orientation;
  - ii) on-the-job training;

- iii) off-the-job training;
- iv) apprenticeship training;
- k) What two activities can be taken as training aid?
- l) What are the characteristics of a good training programme?
- m) The benefits resulting from training cannot be ascertained easily like the cost of training. Why?

#### 4.4.9 Separations

##### a. Definition

Separation means stop giving service in an organization; this usually takes place as a result of the following.

##### b. Types or Features of Separation

- i) **Resignation** - on grounds of health, physical disability, better opportunities else where, or maladjustment with company policy and officers, or other personal reasons; sometimes an employee may be asked to submit his resignation before his being charged for serious matters.
- ii) **Discharge** - separation of an employee from the pay-roll for violation of company rules or for inadequate performance
- iii) **Suspension** - a serious punishment during which an employee receive a subsistence allowance while an enquiry goes on because of discipline case.
- iv) **Retrenchment** - a permanent termination of services of employee for economic reasons. Part of the work force can be found to be superfluous.
- v) **Lay-offs** - and indefinite separation of an employee from the pay-roll due to his/her surplus skills. This is done to reduce the financial burden of an organization when human resources cannot be utilized profitability.
- vi) **Absenteeism** is the practice or habit of being an absentee (one who stays away from work). The general causes of absenteeism can be the following.
  - Maladjustment with work pace.
  - Being engaged in social and religious ceremonies.
  - Unsatisfactory housing conditions-Dirty localities in towns push out workers who come from clean villages out of town.

- Industrial fatigue-Additional part-time jobs result in constant fatigue and hence absenteeism.
- Unhealthy working conditions.
- Alcoholism.
- Sickness or death.

**4.4.10 Labor Turnover** is the rate of change in the working staff of an organization during a definite period. It is the shifting of the work force into and out of an organization, i.e., old employees leave and new ones enter into service in a given period. It is defined as a measurement of inarticulate labor unrest.

To calculate labor turnover, add the number of employees at the beginning of a period to the number at the end and divide the sum by 2.

4.4.11. Check Your Progress. Follow the instruction given in 4.3.3.

- a) define the following.
  - i) separation;
  - ii) resignation;
  - iii) discharge;
  - iv) suspension;
  - v) retrenchment;
  - vi) lay-offs;
  - vii) absenteeism;
  - viii) labor turnover

#### **4.4.12. Legal Aspects of Human Resource Management**

Personnel management as an important part of the overall management cannot be independent of the laws of the country in which it is practiced. There are relevant laws which affect both public and private employees in every country. These laws are known as labor laws.

Labour laws are the product of the particular conditions and circumstance of each country. They take into consideration the history, traditions economic and social structure and political orientation. Their common objective has been to ensure a steady growth in the minimum standards of working, employment and living conditions for workers (K.K. Ahuja, 1998:859).

Labour laws define the legal rights and obligations of employers and employees. They also provide guidelines for their day-to-day relationships. Labour laws can be categorized as follows:

- a) Laws regulating working conditions
- b) Laws regulating industrial relations
- c) Laws regulating wages and bonus
- d) Laws regulating social security measures covering maternity, sickness, occupational disease, payment of gratuity, provident fund and family pension.
- e) Laws regulating training covering apprentices act, employment exchanges, compulsory notification of vacancies act.
- f) Laws regulating welfare and living conditions (K.K. Ahuja, 1998: 859).

Authorities in the field of personnel management hold the view that workers must be acquainted with the various laws listed above. Awareness minimizes the conflict between the management and workers in an organization. Management knows what the benefits, facilities and other amenities are expected to be provided according to these laws. If the workers are also aware of labor laws, management can not deviate from those statutory requirements, rather they will be forced to implement them. If workers are aware of provisions of various labour laws, they can bargain more effectively (K.K. Ahuja, 1998, 859).

In order to prevent the exploitation of employees by employers, governments enact labour legislation. Labour legislation is that part of a “state’s action by which the state through parliamentary enactments has intervened in the conduct of industry and imposed statutory obligations on the employers and on the employees. Labour legislation has the following main objectives.

- a) To protect the workers from objectives.
- b) To strengthen cordial relationship between the employers and employees
- c) To preserve the health, safety and welfare of workers by regulating conditions of work and providing the welfare and social security to workers.
- d) To reduce frequent breaks due to strikes and lock-outs.

The need for labour legislation arises from the following reasons:

- a) Workers in industries are exposed to certain risks and hazards.
- b) Workers are economically weak with low bargaining power.
- c) To encourage and facilitate the formation of trade unions and workers associations.
- d) To maintain good relations between the employer and the employees.

As a whole, it can be concluded that labour legislation has a significant effect on the growth of self-discipline, trade unionism, collective bargaining and growing working class solidarity (K.K. Ahuja, 1998: 860-862).

At present, in Ethiopia, there are two labour legislations: labour proclamation No. 42/1993 and the Federal Civil Servants Proclamation No. 262/ 2002. Like any other government's labour legislation, Labour proclamation No. 42/1993, which is divided into twelve parts, covers topics such as employment relations between employer and employee. In this section formation of contract duration, contract obligations of parties, modification of contract of employment, temporary suspension of rights and obligations, termination of employment relations (by law, by agreement, by employer, by employee), common provision with respect to termination of contract such as effects of unlawful termination, et. Are contained the proclamation also deals with determination of wages hours of work, weekly rest and public holidays, leave, working conditions of women, occupational safety, health and working environment, collective relations such as trade unions and employers associations, collective agreement, labour dispute, enforcement of labour law and penalty and transitory provisions. The Federal Civil Servants Proclamation No. 262/2002 which was issued on 3<sup>rd</sup> January 2002, applies to employees in the public sector. This proclamation is divided into twelve parts.

Part one deals with general matters about the proclamation. Part two deals with position classification, salary scales and allowances. Part three deals with staffing and performance evaluation. Part four deals with working hours and leaves. Part five deals with occupational safety and health while part six deals with the objectives of the training of and the responsibility to train civil servants.

Part seven deals with managing information profile of civil servants. This includes keeping personnel records and collecting statistical data.

Part eight is concerned with obligations and ethics of civil servants while part nine deals with disciplinary measures. Part ten deals with administrative tribunal.

Part eleven deals with termination and extension of service while part twelve deals with miscellaneous provisions such as power to issue regulations and directives, repealed laws, transitory provisions and effective date of the proclamation.

#### **4.4.13. Performance Appraisal or Periodic Evaluation**

Part three of the Ethiopian Civil Servants Proclamation deals with staffing and performance evaluation. There are several basic required tools for retaining, training or developing, penalizing and finally discharging employees. One of these tools is the performance appraisal or periodic evaluation.

Planning human resource requirements is one of the essential activities within the staffing function of management. As a process, management does not stop at the planning function. It culminates in the controlling aspect, which cannot exist unless objectives and goals are set in the planning function.

Whether or not an organization has achieved its set objectives and goals, is tested through appraisal or evaluation. One of the areas that is appraised is the human or employee effectiveness and efficiency without which productivity is unthinkable. Performance appraisal or evaluation is the rating of effectiveness, efficiency and productivity of an employee on the basis of his/her job description and the ethical norms that the organization has adopted and does expect its employees to stick to. The evaluation is done regularly and periodically by the employee's immediate superior.

Employees can be evaluated in different ways:

##### **a. Informal systems of evaluation**

Informal systems of evaluation too often result in supervisors emphasizing personal traits such as appearance, sincerity, and loyalty rather than such factors as quantity of work and the

quality of the work. In cases where there is no formally organized system, supervisors may not be consistent in evaluating all workers in a department.

b. Formal systems of performance appraisal bring order to the appraisal process and thereby reduce worker complaints about favoritism, inequity, and lack of fairness. To avoid these it is attempted to evaluate all employees consistently on fair criteria. Fairness is important since performance appraisals are often significant factors in determining pay increases and promotion opportunities. To achieve equal treatment, a number of appraisal formats such as the ones described below exist.

- i. Graphic rating scales are performance appraisal forms listing a number of factors, with a continuum for each factor ranging from poor or unacceptable to superior. The rater checks the appropriate degree of merit on each factor being evaluated. Since each degree of merit typically has been assigned a point value, total scores can be determined for the purpose of allocating merit pay increases or other rewards.
- ii. Forced distribution scales require evaluators to place a predetermined percentage of persons being evaluated into four or five categories. The advantage of this format over the graphic rating scale is that it forces the rater to differentiate among subordinates by prohibiting the common characteristic of categorizing persons as a average or above average.
- iii. Management by objective (MBO) involves by both superior and subordinate on the subordinate's objectives for the forthcoming period. At the end of the period, the subordinate is evaluated on how well he/she performed in meeting the agreed-upon objectives.

It is common practice for supervisors to discuss the formal appraisal results with the subordinate during an appraisal interview. Such an interview provides an opportunity for both the evaluator and the subordinate to discuss differences of opinions concerning performance and the causes of and possible solutions for unsatisfactory performance.

The format below can be useful in an open organization which allow the participation of employees in performance appraisal.

## GENERAL APPRAISAL OF EMPLOYEE PERFORMANCE

| No | Complete items 1 through 8 for all employees and items 9 and 10 when applicable. Differences between ratings by employee and by supervisor must be discussed     | To be completed by employee |                    |                   | To be completed by supervisor |                    |                   |                                      |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|--------------------|-------------------|-------------------------------|--------------------|-------------------|--------------------------------------|
|    |                                                                                                                                                                  | Exceeds Expectations        | Meets Expectations | Need Improvements | Exceeds Expectations          | Meets Expectations | Need Improvements | Insufficiency opportunity to observe |
| 1  | <b>Job Knowledge:</b> consider overall knowledge of duties and responsibilities as required for current job or position                                          |                             |                    |                   |                               |                    |                   |                                      |
| 2  | <b>Productivity:</b> Evaluate amount of work generated and completed successfully as compared to amount of work expected for this job/position.                  |                             |                    |                   |                               |                    |                   |                                      |
| 3  | <b>Quality :</b> Rate correctness, completeness, accuracy and economy of work overall quality                                                                    |                             |                    |                   |                               |                    |                   |                                      |
| 4  | <b>Initiative :</b> Self motivation-consider amount of direction required; seek improved methods and techniques; consistence in trying to do better.             |                             |                    |                   |                               |                    |                   |                                      |
| 5  | <b>Use of Time:</b> uses available time wisely; is punctual accomplishes required work on or ahead of schedule.                                                  |                             |                    |                   |                               |                    |                   |                                      |
| 6  | <b>Planning:</b> Sets realistic objectives; establishes logical priorities                                                                                       |                             |                    |                   |                               |                    |                   |                                      |
| 7  | <b>Follow –up:</b> Maintains control of workloads; allocates resources economically; insures that assignments are completed accurately                           |                             |                    |                   |                               |                    |                   |                                      |
| 8  | <b>Human Relations:</b> Establishes and maintains cordinal work climate; promotes harmony and enthusiasm; displays sincere interest in assisting other employees |                             |                    |                   |                               |                    |                   |                                      |
| 9  | <b>Leadership:</b> Sets high standards; provides good managerial example; encourages subordinates to perform efficiently; communicates effectively.              |                             |                    |                   |                               |                    |                   |                                      |
| 10 | <b>Subordinate Development:</b> Helps subordinates plan career development; grooms potential replacements; gives guidance and counseling                         |                             |                    |                   |                               |                    |                   |                                      |

### 4.4.14. Unit Summary

Staffing is a function of management. It is defined as the proper and effective planning of manpower requirement, acquisition, placement, utilization, training and development of personnel to perform the duties and responsibilities specified by the organization.

Like the other functions of management, staffing is governed by certain principles these principles are related to the purpose and process of staffing.

The principles related to purpose refer to the need to ensure that qualified personnel that could play the roles they are expected to play are hired. Also in principle both managers and employees have to be appraised and trained from time to time on the basis of their job descriptions and the training needs that arise.

The principles related to the process of staffing refer to the need to follow clear steps in recruiting, hiring and utilizing personnel. Jobs must be defined before applicants are invited to compete for vacant positions openly. Employees that are hired, oriented and posted for utilization need to be followed up and trained on the basis of precise training objectives. Training is not a one-time understating. It has to be continuous. In fact, the employee has to be encouraged to plan his/ her own self-development scheme. Particularly, managers must get knowledge continuously reevaluate the managing, and improve their skill and performance to achieve affective and efficient results.

Staffing, as a function of management, carries out the following activities: manpower planning, manpower recruitment and selection, and manpower utilization which involves placement and induction promotion, demotion and transfer.

Staffing training and development are essential activities that any organization needs to focus upon. Employees need to be up-to-date, since the world is full of competition. Furthermore, science and technology are advancing very rapidly that it has become very difficult to catch up with them. The updating of personnel can be done through education, development programs and short-term training.

There are different methods or techniques of training employees they include: On –the-job training, orientation, off-the-job training, apprenticeship training and counseling.

Good training program are those that allow for individual differences, that are relevant to job requirements, that determine training needs of employees, that are supported by the management, that have suitable incentives and that are both theoretical and practical.

Employees do not stay in an organization for ever. They leave the organization for different reason. The types of separation include: resignation, discharge, suspension, retirement, retrenchment, lay-off and absenteeism. The rate of change in the working staff of an organization during a definite period of time is known as labour turnover.

The hiring, utilization and separation of employees is clearly governed by the laws of the country in which the organization operates. In other words, there are labour laws that define the legal rights and obligations of employers and employees. They can be categorized as those regulating working conditions, industrial relations, wages and bonus, social security measures, training practices, and those regulating welfare and living conditions. In Ethiopia, there are two labor legislations: Labor Proclamation No.42/1993 and Federal Civil Servants Proclamation No. 262/2002.

Labor laws require that the performance of employees be evaluated. Performance appraisal or periodic evaluation is one of the basic tools for retaining, training or developing, penalizing and finally discharging employees.

---

**4.4.15. Model Questions. In answering these questions follow the instruction given in 4.3.3**

---

1. Define the following
  - a. Staffing
  - b. Recruitment
  - c. Promotion
  - d. Demotion

2. What is separation? Identify six types of separations and define each.
3. What is meant by transfer? Identify six types of transfer and define each.
4. What is training? Identify at least seven methods of training and define each.
5. What are some of the characteristics of a good training programme?
6. What are some of the causes of absenteeism?
7. What is meant by labour turnover?
8. What is the meaning of human resource management as a function?
9. What are the six categories of labour laws?
10. What are the major contents of the Ethiopian Labour Proclamation No 42/1993?
11. What are the major contents of the Ethiopian Federal Civil Servants Proclamation No 262/2002?
12. There are formal and informal appraisal systems. What are some of the appraisal formats that enable the achievement of equal treatment?
13. An appraisal interview or a supervisory conference is very essential. Why?

## References

1. C.B Mamoria, Personnel Management, Himalaya Publishing House, New Delhi, 1998.
2. Dinkar Pagare, Principle of Management, 2<sup>nd</sup> ed., Sultan Chanada and Sons Publishers, New Delhi, 1981.
3. FDRE, Federal Civil Servants Proclamation No. 262/200-2, Berhanena Selam Printing Enterprise, Addis Ababa 2002.
4. Harold Koontz, Management 9<sup>th</sup> ed., Mc Graw Hill Co., USA, 1995
5. K.K. Ahuja, Personnel Management, 4<sup>th</sup> ed., Kalyani Publishers, New Delhi, 1998.
6. Leslie W.Rue and Liyd L. Byars, Management Theory and Application, 5<sup>th</sup> ed., Richard D. Irwin Homewood, Illinois, 1989.
7. TGE, Labor Proclamation No. 42/1993, Berhanena Selam Printing Enterprise, Addis Ababa, 1993.