

Effective staffing v/s Efficient staffing – What is more needed in today's business world.

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"Effective and Efficient – are commonly used terms in management studies. Both seems to be similar. However, there is a striking difference between these two. Think of how many tasks you complete in a single day, from households chores to completing a report at work. We have many tasks to complete and there are always more than one ways to complete a single task. When one learns how to complete task faster and save his time and resources, there he embraces efficiency. However, if we take an example of a restaurant cook, whose customers are in queue waiting for their order. The only objective of the cook at that time would be delivering the order at right time, no matter how much of waste stuff of different ingredients is being released out of his profuse use of them. There, his capability to satisfy the demand of customers in the given time is his effectiveness".

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INTRODUCTION: Effectiveness is accomplishing the given task and achieving the desired goals. Efficiency is accomplishing the target in such manner, that wastage of resources in minimum and maximum output is generated from minimum input. As far as staffing is concerned- The question here arises whether there must be effective staffing or efficient staffing in a business organization. We all know that it is only human resource that can put physical resource into use. Materials, machines and money - all these are considered as passive means of production whereas human resource is the only active means of production. Human resource is the only asset that does not depreciate over a period of time. It is able to produce output larger than the input through its creative thinking, envisioning and insight. Further, flexibility of an organization in adapting the environmental changes depends largely on human resource than on physical factors as the human resource is the driver of putting physical factors on use in right direction.

And staffing is the function through which the human resource is devised as per the requirement of the organization. It involves determining the type of people to be hired, recruiting prospective employees, selecting the best out of them, putting them on training and development, setting their performance standards and evaluating their performance and counselling the employees. Simply saying, it refers to filling and keeping filled the posts with people.

What is effective staffing? Effective staffing refers to making the eligible manpower available in the organization to put its organizational structure into work for the achievement of organizational goals and objectives. It is similar to assembling parts of a machinery to make it work. It is a quantitative approach to process of staffing. It involves identification of activities that are to be performed in the organization and chalking out the number of persons or quantum of manpower needed to perform those activities. Then analyzing the skills, qualification and knowledge needed to

perform those activities, finding the people having that skills, qualification and knowledge, selecting best out of them and putting them on work. In effective staffing, the process of staffing becomes output centered. The basic question in effective staffing is how much of manpower is needed and what qualifications it must possess to be eligible to complete the given work. If the workload is more or the activities are more and diverse, more man power is needed. Alternatively, less is required. Scope of effective staffing is limited to putting the right person on the job when need arises and maintaining it to be on that job. It involves continuous survey of manpower requirement as per the changes taking place in output level of the organization, shifting the labor from a department where it is surplus to the department where there is requirement of human resource, supplying enough workforce at the time of emergency need in case of timely delivery of a large order or a big assignment, planning lay-offs, maintaining record of possible vacancies that may occur because of the retirement policies of the organization regarding employees at different levels and departments. In Effective staffing, the HR manager acts as a storekeeper of the manpower for the organization, where he needs to supply the human resource matching with the need of the department where the requirement arises. It treats human resource as a mechanical part in the process of production. As in case of mechanical parts, requisitions made to storekeeper are in terms of quality, type and quantity required, similarly in case of

manpower also, the required quality, type and skills are sought for. The HR manager performs the functions of requisitioning, recruitment, selection, determining compensation policies, training of the employees to make them able to do the required job. Effective staffing gives emphasize to training function up to the level where the employee becomes able to do the particular work as instructed. It is not concerned with development of the manpower in the organization. The concept of effective staffing revolves around the fact that there is a high positive correlation between level of output and number of employees in an organization. The concept of effective staffing doesn't take into consideration the demerits of high labor turnover. According to it, productive capacity of a human resource cannot be improved and if more production is to be carried out, the number of employees will have to be increased in proportion to the increased output. For example – XYZ, a plastic chair manufacturing company having production capacity of manufacturing 2000 chairs per month with 500 employees performing different activities. It received an order to manufacture 3000 chairs with the period of 1 month. That required more of both – human resource and physical resource. The personnel manager of the company estimated requirement of 50 more laborers for additional work of fittings and furnishing to complete the task in given time period. As the time was less, he also decided to fix overtime work hours and a higher wage rate for the workers who work for overtime hours. With the availability of required manpower at right time, the

output i.e. 3000 chairs was ready on time. However, despite of getting a big order the company was not able to make a significant profit out of the assignment as a high proportion of labor turnover in the total cost absorbed a major part of profit. The question arising here is "was the existing workforce not able to complete the given task within the given time period without additional 50 workers and overtime? The personnel manager did not give thought to the alternative that proper skill improvement sessions in daily routine of the production process can increase production capacity of existing workforce. The same number of workers can be made able to complete the given task within the same number of man hours.

It is agreed that Effective staffing provides an edge to the organization in the competitive world where the faster you go; the more you get succeed. In the words of Paul Graham, a computer scientist and a venture capitalist, "In the rapidly growing market, it is more important to grow faster. If there is some mundane problem getting in your way and there is a simple solution that is somewhat expensive, just take it and get on with more important things. " However, effective staffing lags in improving the performance of existing workforce. Further, it does not advocate the techniques of scientific management devised by Frederick Winslow Taylor to improve production capacity of the workers in the organization. Effective management do not involve analysis of present organizational structure and restructuring it

to serve the best to suit the organizational needs. Further, effective staffing cannot create a dynamic organization as a dynamic organization can be created only by developing the workforce for taking out maximum of their performance with minimum effort. If continuous experimentation is done on structure of organization and production capacity of workforce, then the organization can be made able to achieve the given goals within the given time with same workforce and same manhours. However, it is not always possible to increase production capacity of employees beyond a certain level given the circumstances and complexity of organizational structure and production process. Because of this, the above given argument doesn't hold good in such circumstances. For example - A labor produces 100 units of a product in day. With the view of developing him to the best of his ability he was given a skill training and with that he may be able to produce 110,120,130,150 or maximum 200 units. But will he be able to produce 500 units? It seems completely unrealistic. Therefore, given the fact that human resource do have some maximum limit of their capacity, an organization will need more of human resource as the output level rises. Effective management is only concerned with maintaining the level of the quantum of workforce with the output level of the organization. Is there any alternative to effective staffing so that number of workers and the quality of workforce remains same and still the desired output is achieved to compete in the modern world? the answer is automation in the process of production.

The more will be the automation, less would be the need of effective staffing. But its need cannot be reduced to zero as effective staffing ensures that whatever human resource is required in the organization, must be available at proper time and equipped with the required skills and knowledge. And also, in most of the cases, automation calls for even higher expense than what the organization will bear in hiring the additional staff in case of need arises.

What is efficient staffing? Efficient staffing refers to developing the available workforce to their maximum performance. It is an employee-oriented approach of staffing. Efficient staffing has wider scope than effective staffing. Efficiency in production process can be achieved by carrying out the production in a cost-effective manner. Production process can be accompanied with reduced per unit cost only when manpower of the organization utilises the physical resources optimally. Optimum utilisation of physical resources and putting them to their best use is possible only when human resource of an organization itself develops in skills, learning aptitude, evaluating and improving their own working style. This will improve individual efficiency of the staff members and it calls for a newer approach to staffing that is Efficient staffing. Working for a long period of time in an organization does not make the employee efficient. Many times, it is seen that some newcomer or fresher does something innovative and more productive; which an employee who is working in the same organization for a longer period of time on the same post had not been able to do.

Efficient staffing is qualitative approach to staffing whereas effective staffing is a quantitative approach. Further, effective staffing is not to be considered as same as human resource management. Human resource management includes various functions like procurement, recruitment, selection, developing compensation plans, training and development of employees, maintaining personnel records, performance reports, conducting performance appraisal and devising incentive plans etc. Whereas efficient staffing is only concerned with the improvement of performance level of existing staff. Doesn't matter since how long any employee is working in the organization, all jobs and every person performing those jobs have the capability to become more efficient. Whether it is a new joiner or an employee working in the organization for last 10 years, there is always a scope for improvement and it is only the human resource whose performance can be improved over a period of time with precise efforts directed towards this. The question is how do we know how to make our manpower more efficient? Unless someone tells you directly how to complete tasks more efficiently, you may not have the time or capacity to know how to be more efficient. One of the best sources for making your job more efficient is supervisors and managers. Or else we learn it by ourselves. Sometimes while performing the jobs, we face some situations where we think, "why didn't I think of this way of doing work before" Or "yes! I got a new way to do the same task in less time and with less efforts". These

moments make us look at our jobs differently and evaluate our daily tasks. In most of our jobs we don't have time to sit around and think about efficiency and how we can improve a technique. But, when we do, we discover huge timesaving skills and that is what effective staffing is all about. The concept of efficient staffing focuses majorly on improving the skills of existing staff for getting more output per man hour rather than increasing the number of employees. It doesn't mean that the organization must not hire more manpower if the scale of business grows. What it means is whatever manpower is existing in the organization, it must be improved to its best. Having more employees can never be the alternative for having less efficient manpower. It is derived out of the fact that if one wants to earn profits out of his business, he has only two alternatives – either to sell products on higher price or to reduce production cost. Price of product cannot be set as higher as desired keeping in mind the market competition. However, reducing the cost of production to the maximum possible extent is in the hands of the manager. But this cost effectiveness cannot be framed in the absence of efficient staffing. Here some may consider efficient staffing as cost management. Whereas it is not so. **Cost management** is the process of planning and controlling the budget of a business. **Cost management** is a form of **management** accounting that allows a business to predict impending expenditures to help reduce the chance of going over budget. But how will it be done? Who will do it? Who will predict the level of expenditure? Who will plan and control the

budget? of course, the manpower of the organization. Efficient staffing is all about bringing that manpower to the level where it will be able to take that kind of decisions that will ensure best and optimum utilisation of the organization's resources. It is a complete mental revolution that enables organization's workforce for taking such decisions that can reduce the chances of overgoing budget and even reducing the cost below the standard cost, setting a new benchmark. Efficient staffing is a complex process as compared to effective staffing. It calls for highly engaged employees as well as manager. How can a manager judge what is the maximum capability of his employee? How he will carry out the efficient staffing? For this manager has to study the time and method used by the employee in completing any task, he needs to observe and record that over a certain period of time how faster the employee is able to work by continuously working on same task with same method. Those who have improved in terms of output per man hour must be selected out. Then suggestions must be sought from the selected employees regarding "how the same work can be done in a better way " or "can the same work be done in less cost with some other method? as the employees are familiar to the work and to any loopholes which they may consider as are there in the present method of doing that work. Observations made by the manager must be recorded by him. It will help the manager in evaluating the employee's interest, learning ability, activeness, thinking, analytical skills. After evaluating the responses given by the employees, the

manager offers an employee to work on an initiative based on the best of the innovative ideas presented by the later. It involves supporting the employee in framing his activities in the way he thinks he can deliver a better performance. Here, the manager needs to ensure that giving this opportunity to an employee must not make the production process suffers. So, it is preferred to carry out such an experimentation out of the daily routine activities of the employee for a specific period of time that is called as testing period. The expenses that will be incurred in the initiative must be budgeted beforehand. Further, the manager must ensure that any of such experimentation must be carried on a small level withstanding with minimum wastage of organization's resources. There must be an appropriate supervision and decentralisation of decision making powers. Further, the detailed analysis of activities that are carried out by the employee must be done. Reports related to time involved and actual expenses incurred must be prepared. After the testing period is over, the newly discovered method of completing any job in cost effective and time effective manner must be generalised throughout the organization. Similarly, again this testing must be done that how faster and to what level of perfection the employees are able to work over a certain period of time, recording their improvement, evaluating their skills and framing an initiative based on innovative ideas drawn out of the evaluation. Efficient staffing is a way to enhance the engagement of employees and their analysing power regarding their job. It

not only reduces cost and ensures optimum utilisation of physical resources by putting them into best possible method of production. But, also develops leadership qualities in employee. Which is an essential component in devising a motivated team with higher analytical approach to any given circumstances as a business organization faces lot of challenges in daily routine. Simply increasing the number of employees in the organization cannot serve the purpose. It will only increase the labor turnover which ultimately increases the cost of production. Effective staffing is like increasing the stock of man power, whereas efficient staffing is like revolutionalising the attitude of available manpower towards work. As human resource is not a mechanical part, it has brain to think, to analyse, to improve, to experiment. And making the human resource utilise these abilities is the base of efficient staffing.

CONCLUSION: efficient staffing and effective staffing- both are important for an organisation given their individual advantages. Neither effective staffing alone nor efficient staffing alone can pave a way for a successful and dynamic organisation. One is important to ensure that there must be adequate quantum of employees in the organisation where no post of organisational structure must be left vacant at any given point of time, whereas the other ensures that whatever present quantum of staff is existing in the organisation must be developed to best of its ability with continuous efforts. However, efficient staffing has some extra edge over the effective staffing as efficient staffing turns an organisation into a dynamic

organisation that is capable of facing the environmental challenges as it is human resource who takes decisions regarding putting physical resources into its use, physical resources don't. Humans have brain to think, to find many alternative methods of doing a job, to select a best method, to improve, to master and to speed up a job in given circumstances. This is what needed in today's business world. A business faces lot of challenges daily, it will not be able to survive in market if it concentrates only on increasing the number of employees and treating them like a mechanical part. Manpower of the organisation in today's date is required to be like a chess player who puts chess man (physical resources) on the right place to

make the organisation win in the game of business. Manpower itself is not the chessmen. A charioteer (manager) can run the chariot (business) swiftly only when he has right number of horses (manpower) and also those horses (manpower) must be skillful and best suited for the chariot. Effective staffing ensures right quantum of staff is available in the organisation as per the specifications and efficient staffing ensures that every person of the staff becomes competent enough to challenge his own previous performance. Employees must be made to widen their envisioning power, rather than being a robot working on same command for years but no competency it develops.