

## **DEFINITION OF STAFFING**

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The managerial function of **staffing** is defined as filling, and keeping filled, positions in the organization structure. This is done by identifying workforce requirements, inventorying the people available, and recruiting, selecting, placing, promoting, appraising, planning the careers of, compensating, and training or otherwise developing both candidates and current jobholders so that they can accomplish their tasks effectively and efficiently.\* It is clear that staffing must be closely linked to organizing, that is, to the setting up of intentional structures of roles and positions.

Many writers —

# **SKILLS AND PERSONAL CHARACTERISTICS NEEDED BY MANAGERS**

To be effective, managers need various skills ranging from technical to design. The relative importance of these skills varies according to the level in the organization, as discussed in Chapter 1. In addition, analytical and problem-solving abilities and certain personal characteristics are sought in managers.

## **Analytical and Problem-Solving Abilities**

One of the frequently mentioned skills desired of managers is analytical and problem-solving ability. But as Alan Stoneman, former president of the Purex Corporation, used to say, "We have no problems here; all are opportunities; all a problem should be is an opportunity." In other words, managers must be able to identify problems, analyse complex situations, and, by solving the problems encountered, exploit the opportunities presented. They must scan the environment and identify, through a rational process, those factors that stand in the way of opportunities. Thus, analytical skills should be used to find needs of present customers—or potential ones—and then to satisfy those needs with a product or service. It has been amply demonstrated that this opportunity-seeking approach can mean corporate success. For example, Edwin H Land of Polaroid filled the needs of people who wanted instant photographs. But problem identification and analysis are not enough. Managers also need the will to implement the solutions; they must recognize the emotions, needs, and motivations of the people involved in initiating the required change as well as of those who resist change.

## **Personal Characteristics Needed by Managers**

In addition to the various skills that effective managers need, several personal characteristics are also important. They are: a desire to manage, the ability to communicate with empathy, integrity and honesty, and the person's experience—his or her past performance as a manager—which is a very significant characteristic.

**Desire to Manage** The successful manager has a strong desire to manage, to influence others, and to get results through team efforts of subordinates. To be sure, many people want the privileges of managerial positions, which include high status and salary, but they lack the basic motivation to achieve results by creating an environment in which people work together towards common aims. The desire to manage requires effort, time, energy, and, usually, long hours of work.

**Communication Skills and Empathy** Another important characteristic of managers is the ability to communicate through written reports, letters, speeches, and discussions. Communication demands clarity, but even more, it demands **empathy**. This is the ability to understand the feelings of another person and to deal with the

emotional aspects of communication. Communication skills are important for an effective **intragroup communication**, that is, communication with people in the same organizational unit. As one moves up in the organization, however, **intergroup communication** becomes increasingly important. This is communication not only with other departments but also with groups outside the enterprise: customers, suppliers, governments, the community, and, of course, the stockholders in business enterprises.

**Integrity and Honesty** Managers must be morally sound and worthy of trust. Integrity in managers includes honesty in money matters and in dealing with others, effort to keep superiors informed, adherence to the full truth, strength of character, and behavior in accordance with ethical standards. Many of these qualities, and others, have been cited by top executives of major companies. For example, Henry Ford II, former chairperson of Ford Motor Company, mentioned as appealing, qualities of honesty, candor, and openness.

**Past Performance as a Manager** Another very important characteristic for selection is past performance as a manager. It is probably the most reliable forecast of a manager's future performance. Of course, an assessment of managerial experience is not possible in selecting first-line supervisors from the ranks, since they have not had such an experience. But past accomplishments are important considerations in the selection of middle- and upper-level managers.

## MATCHING QUALIFICATIONS WITH POSITION REQUIREMENTS

After the organizational positions are identified, managers are obtained through recruitment, selection, placement, and promotion (see the variables in Figure 11.4.) There are basically two sources of managerial personnel: People from within the enterprise may be promoted or transferred, and managers may be hired from the outside. For **internal** promotions, a computerized information system may help to identify qualified candidates. It can be used in conjunction with a comprehensive human resource plan. Specifically, it can be utilized to anticipate staff requirements, new openings, attritions, development needs, and career planning.

There are also several **external** sources available, and the enterprise may use different methods in finding the qualified managers. Many employment agencies—public and private—and executive recruiters (sometimes called "headhunters") locate suitable candidates for positions. Other sources for managers are professional associations, educational institutions, referrals from people within the enterprise, and, of course, unsolicited applications from persons interested in the firm.

### Recruitment of Managers

**Recruiting** involves attracting candidates to fill positions in the organization structure. Before the recruiting process begins, the position's requirements—which should relate directly to the task—must be clearly identified. This makes it easier to recruit suitable

candidates from outside. Enterprises with a favorable public image find it easier to attract qualified candidates. A company such as GE (General Electric) has a well-recognized image, while small firms—which frequently offer excellent growth and development opportunities—may have to make great efforts to communicate to the applicant the kinds of products, services, and opportunities they offer.

## **Selection, Placement, and Promotion**

Selecting a manager is choosing from among the candidates the one who best meets the position requirements. Since the selection may be for a specific job opening or for future managerial requirements, there are two approaches to filling the organizational positions. In the **selection approach**, applicants are sought to fill a position with rather specific requirements; in the **placement approach**, the strengths and weaknesses of the individual are evaluated, and a suitable position is found or even designed.

**Promotion** is a change within the organization to a higher position that has greater responsibilities and requires more advanced skills. It usually involves higher status and an increase in pay. The various facets of selection generally apply also to promotion, which may be a reward for outstanding performance or a result of the firm's desire to better utilize an individual's skills and abilities. Promotions may be a reward for past performance, but only if there is an evidence of potential competency. Otherwise, persons may be promoted to a level at which they are incompetent.

## **The Peter Principle**

Errors in selection are possible, perhaps even common. According to Laurence J Peter and Raymond Hall, authors of **The Peter Principle**, managers tend to be promoted to the level of their incompetence.<sup>10</sup> Specifically, if a manager succeeds in a position, this very success may lead to promotion to a higher position, often one requiring skills that the person does not possess. Such a promotion may involve work that is over the manager's head. While the possibility of individual growth must not be overlooked, the Peter Principle can serve as a warning not to take the selection and promotion process lightly.

## **SELECTION PROCESS, TECHNIQUES, AND INSTRUMENTS**

This section presents an overview of the selection process, followed by a discussion of a number of instruments and techniques, including interviews, tests, and the assessment center. For good selection, the information about the applicant should be both valid and reliable. When people ask if the data is **valid**, they raise this question: Is the data measuring what it is supposed to be measuring? In selection, validity is the degree to which the data predict the candidate's success as a manager. The information should also have a high degree of **reliability**, a term that refers to the accuracy and consistency of the measurement. For example, a reliable test, if repeated under the same conditions, would give essentially the same results.

## The Selection Process

There are some variations of the specific steps in the selection process. For example, the interview of a candidate for a first-level supervisory position may be relatively simple when compared with the rigorous interviews for a top-level executive. Nevertheless, the following broad outline is indicative of the typical process.

First, the selection criteria are established, usually on the basis of current, and sometimes future, job requirements. These criteria include such items as education, knowledge, skills, and experience. Second, the candidate is requested to complete an application form (this step may be omitted if the candidate for the position is from within the organization). Third, a screening interview is conducted to identify the more promising candidates. Fourth, additional information may be obtained by testing the candidate's qualifications for the position. Fifth, formal interviews are conducted by the manager, his or her superior, and other persons within the organization. Sixth, the information provided by the candidate is checked and verified. Seventh, a physical examination may be required. Eighth, on the basis of the results of previous steps, the candidate is either offered the job or informed that he or she has not been selected for the position. Let us examine some parts of the selection process in greater detail.

### Interviews

Virtually every manager hired or promoted by a company is interviewed by one or more people. Despite its general use, the interview is considerably distrusted as a reliable and valid means for selecting the managers. Various interviewers may weigh or interpret the obtained information differently. Interviewers often do not ask the right questions. They may be influenced by the interviewee's general appearance, which may have little bearing on the job performance. They also frequently make up their minds early in the interview, before they have all the information necessary to make a fair judgement.

Several techniques can be used to improve the interviewing process and overcome some of these weaknesses. First, interviewers should be trained so that they know what to look for. For example, in interviewing people from within the enterprise, they should analyze and discuss past records. They should study the results achieved as well as the way key managerial activities were performed. Chapter 12, on performance appraisal, shows in greater detail how this can be done. When selecting managers from outside the firm, interviewers find that these data are more difficult to obtain, and they usually get them by checking with the listed references.

Second, interviewers should be prepared to ask the right questions. There are structured, semistructured, and unstructured interviews. In an **unstructured** interview, an interviewer may say something like "Tell me about your last job." In the **semistructured** interview, the manager follows an interview guide but may also ask other questions. In a **structured** interview, the interviewer asks a set of prepared questions.

A third way to improve selection is to conduct multiple interviews utilizing different interviewers. Thus, several people can compare their evaluations and perceptions. However, not all interviewers should vote in selecting a candidate; rather, they should provide an additional information for the manager who will be responsible for the final decision.

Fourth, the interview is just one aspect of the selection process. It should be supplemented by data from the application form, the results of various tests, and the information obtained from persons listed as references. Reference checks and letters of recommendation may be necessary to verify the information given by the applicant. For a reference to be useful, the person must know the applicant well and give a truthful and complete assessment of the applicant. Many people are reluctant to provide complete information, and so an applicant's strong points are often overemphasized, while his or her shortcomings may be glossed over. The Privacy Act of 1974 and related legislation and judicial rulings have made it even more difficult to obtain objective references. Under the Privacy Act, the applicant has a legal right to inspect letters of reference unless this right is waived. This is one of the reasons that teachers are sometimes reluctant to make objective and accurate job referrals for their students.

## Tests

The primary aim of testing is to obtain data about the applicants that help predict their probable success as managers. Some of the benefits from testing include finding the best person for the job, obtaining a high degree of job satisfaction for the applicant, and reducing turnover. Some of the commonly used tests can be classified as follows:

1. **Intelligence tests** are designed to measure mental capacity and to test memory, speed of thought, and ability to see relationships in complex problem situations.
2. **Proficiency and aptitude tests** are constructed to discover interests, existing skills, and potential for acquiring skills.
3. **Vocational tests** are designed to show a candidate's most suitable occupation or the areas in which the candidate's interests match the interests of people working in those areas.
4. **Personality tests** are designed to reveal candidates' personal characteristics and the way candidates may interact with others, thereby giving a measure of leadership potential.

Tests have a number of limitations, however. First, competent industrial psychologists agree that tests are not accurate enough to be used as the sole measure of candidates' characteristics but must be interpreted in the light of each individual's entire history. Second, the test user must know what tests do and what their limitations are. One of the major limitations is uncertainty about whether tests are really applicable; even psychologists are not highly confident that present-day tests are effective in measuring managerial abilities and potentials. Third, before any test is widely used, it should be tried out, if possible on personnel currently employed in an enterprise, to see whether it is valid for employees whose managerial abilities are already known. Fourth, it is also important that tests be administered and interpreted by experts in the field. Finally, tests should not discriminate unfairly and should be consistent with laws and government guidelines.

## Assessment Centers

The assessment center is not a location but a technique for selecting and promoting managers. This approach may be used in combination with training. Assessment centres

were first used for selecting and promoting lower-level supervisors, but now they are applied to middle-level managers as well. They seem, however, to be inappropriate for top executives. The assessment center technique is not new. It was used by the German and British military in World War II and the American Office of Strategic Services. But its first corporate use in the United States is generally attributed to the American Telephone and Telegraph Company in the 1950s.

Intended to measure how a potential manager will act in typical managerial situations, the usual center approach is to have candidates take part in a series of exercises. During this period they are observed and assessed by psychologists or experienced managers. A typical assessment center will have the candidates do the following:

- Take various psychological tests.
- Engage in management games in small groups.
- Engage in "in-basket" exercises, in which they are asked to handle a variety of matters that they might face in a managerial job.
- Participate in a leaderless group discussion of some problem.
- Give a brief oral presentation on a particular topic or theme, usually recommending a course of desirable action to a mythical superior.
- Engage in various other exercises, such as preparing a written report.

During these exercises, the candidates are observed by their evaluators, who also interview them from time to time. At the end of the assessment center period, each assessor summarizes his or her appraisals of each candidate's performance; then the assessors compare their evaluations, come to conclusions concerning each candidate's managerial potential, and write a summary report on each candidate. These reports are made available to appointing managers for their guidance. They are also often used as guides for management development. In many cases candidates are given feedback on their evaluation; in other cases feedback is given only when candidates request it. Sometimes the summary evaluation as to promotability remains confidential, even though candidates may be informed by assessors about their performance in the various exercises.

Evidence of the usefulness of the assessment center approach, although not conclusive, is encouraging. On the other hand, there is some controversy as to whom, by whom, and under what circumstances this and other tests should be administered and as to who should receive the test results.

Assessment centers do present some **problems**. First, they are costly in terms of time, especially since many effective programs extend over a five-day period. Second, training assessors is a problem, particularly in those companies that believe, with some justification, that the best assessors are likely to be experienced line managers rather than trained psychologists. Third, although a number of different exercises are used to cover the kinds of things a manager does, questions have been raised as to whether these exercises are the best criteria for evaluation. An even greater problem exists in assessment centers, being highly oriented to individual and interpersonal behavior under various circumstances, may be overlooking the most important element in selecting the managers, especially those about to enter the managerial ranks for the first time. That element is motivation—whether or not a person truly wants to be a manager. To be so motivated, candidates must know what managing is, what it involves, and what

is required to be a successful manager. Obviously, motivation is a difficult quality to evaluate. However, by making clear to a candidate what managing involves and requires and then asking the candidate to think this over, the interviewer can give the candidate a good basis on which to determine whether he or she really wants to be a manager.

## Limitations of the Selection Process

The diversity of selection approaches and tests indicates that there is no one perfect way to select managers. Experience has shown that even carefully chosen selection criteria are still imperfect in predicting performance. Furthermore, there is a distinction between what persons *can do*, that is, their ability to perform, and what they *will do*, which relates to motivation. The latter is a function of the individual and the environment. For example, a person's needs may be different at various times. The organizational environment also changes. The climate of an enterprise may change from one that encourages initiative to one that restricts it because a new top management introduces a different managerial philosophy. Therefore, selection techniques and instruments are not a sure way to predict what people will do, even though they may have the ability to do it.

Testing itself, especially psychological testing, has limitations. Specifically, the seeking of certain information may be considered an invasion of privacy. In addition, it has been charged that some tests unfairly discriminate against women or members of minority groups. These complex issues are not easily resolved, yet they cannot be ignored when an enterprise is selecting managers.

Still other concerns in selection and hiring are the time and cost involved in making personnel decisions. It is important to identify such factors as advertising expenses, agency fees, costs of test materials, time spent in interviewing candidates, costs for reference checks, medical exams, start-up time required for the new manager to get acquainted with the job, relocation, and orientation of the new employee. When recruiting costs are recognized, it becomes evident that turnover can be very expensive to an enterprise.

## ORIENTING AND SOCIALIZING NEW EMPLOYEES

The selection of the best person for the job is only the first step in building an effective management team. Even companies that make great efforts in the recruitment and selection process often ignore the needs of new managers after they have been hired. Yet, the first few days and weeks can be crucial for integrating the new person into the organization.

**Orientation** involves the introduction of new employees to the enterprise, its functions, tasks, and people. Large firms usually have a formal orientation programme, which explains these features of the company: history, products and services, general policies and practices, organization (divisions, departments, and geographic locations), benefits (insurance, retirement, vacations), requirements for confidentiality and secrecy (especially with regard to defense contracts), safety and other regulations. These may

be further described in detail in a company booklet, but the orientation meeting provides new employees with an opportunity to ask questions. Although these formal programs are usually conducted by persons from the personnel department, the primary responsibility for orienting the new manager still rests with the superior.

## Creating an Environment People Enjoy<sup>11</sup>

At the beginning of the new millennium, companies fiercely competed for personal talent in a very competitive job market. Losing a valuable employee would cost a company \$50,000 to \$100,000. How, then, can a company retain its intellectual capital? Leaders such as Herb Kelleher at Southwest Airlines and Jack Welch at General Electric (GE) have done much to inspire their employees by providing an environment with challenging work and opportunities for personal and professional growth. Companies have pursued various strategies to retain the employees. Firms with a good reputation such as Southwest Airlines and GE can point out to their employees the competitive advantage of their firm and the opportunities in a growing organization. Companies in a market leadership position also have an advantage in retaining the employees, pointing out that leaving the company may be a step down. Other firms have created a feeling of community and family in their organization. Employees also like the flexibility of gaining different kinds of experiences in various parts of the company. Feeling empowered through broad delegation gives the people a decision-making authority and a sense of responsibility. Cisco Systems continuously makes the employees aware that they are welcomed. GE makes heavy investments in the best people through training and mentoring. Southwest Airlines pays much attention to find the right people during the selection process by hiring people that fit the organizational culture.

As we enter the new millennium, companies face important challenges in recruiting and retaining the employees. However, the challenge to companies is a great opportunity for those preparing for a career in management or as a staff person.

There is another and perhaps even more important aspect of orientation: the socialization of new managers. **Organizational socialization** is defined in several different ways. A global view includes three aspects: acquisition of work skills and abilities, adoption of appropriate role behaviors, and adjustment to the norms and values of the work group. So, in addition to meeting the specific requirements of the job, new managers will usually encounter new values, new personal relationships, and new modes of behavior. They do not know people they can ask for advice, they do not know how the organization works, and they have a fear of being unsuccessful in the new job. All this uncertainty can cause a great deal of anxiety for a new employee, especially a management trainee. Because the initial experience in an enterprise can be very important for future management behavior, the first contact of trainees should be with the best superiors in the enterprise, people who can serve as models for future behavior.

## TYPES OF TRAINING IN

HUMAN RESOURCE MANAGEMENT

ON THE JOB ~~TRAINING~~ TRAINING.

OFF THE JOB TRAINING

SIMULATOR TRAINING.

VESTIBULE TRAINING.

## Different Kinds of Centralization

The term "centralization" has several meanings:

- **Centralization of performance** pertains to geographic concentration; it characterizes, for example, a company operating in a single location.
- **Departmental centralization** refers to concentration of specialized activities, generally in one department. For example, maintenance for a whole plant may be carried out by a single department.
- **Centralization as an aspect of management** is the tendency to restrict delegation of decision making. A high degree of authority is held at or near the top by managers in the organizational hierarchy.

## Decentralization as a Philosophy and Policy

Decentralization implies more than delegation: it reflects a philosophy of organization and management. It requires a careful selection of which decisions to push down into the organization structure and which to hold near the top, specific policy-making to guide the decision making, proper selection and training of people, and adequate controls. A policy of decentralization affects all areas of management and can be looked upon as an essential element of a managerial system. In fact, without it, managers could not use their discretion to handle the everchanging situations they face.

## DELEGATION OF AUTHORITY\*

Authority is delegated when a superior gives a subordinate discretion to make decisions. Clearly, superiors cannot delegate authority they do not have, whether they are board members, presidents, vice presidents, or supervisors. The **process of delegation** involves determining the results expected from a position, assigning tasks to the position, delegating authority for accomplishing these tasks, and holding the person in that position responsible for the accomplishment of the tasks. In practice, it is impossible to split this process, since expecting a person to accomplish goals without giving him or her the authority to achieve them is unfair, as is delegating authority without knowing the end results for which it will be used. Moreover, since the superior's responsibility cannot be delegated, a boss must hold subordinates responsible for completing their assignments.

## The Art of Delegation

Most failures in effective delegation occur not because managers do not understand the nature and principles of delegation but because they are unable or unwilling to apply them. Delegation is, in a way, an elementary act of managing. Yet studies of managerial failures almost invariably find that poor or inept delegation is one of the causes. Much of the reason lies in personal attitudes toward delegation.

\*Some authors discuss the concept of "empowerment" in connection with delegation.

**Personal Attitudes toward Delegation** Although charting an organization and outlining managerial goals and duties will help in making delegations, knowledge of the principles of delegation will furnish a basis for it, certain personal attitudes underlie real delegation.

**Receptiveness** An underlying attribute of managers who will delegate authority is a willingness to give other people's ideas a chance. Decision making always involves some discretion, and a subordinate's decision is not likely to be exactly the one a superior would have made. The manager who knows how to delegate must have a minimum of the "NIH (not invented here) factor" and must be able not only to welcome the ideas of others but also to help others and to compliment them on their ingenuity.

**Willingness to let go<sup>8</sup>** A manager who will effectively delegate authority must be willing to release the right to make decisions to subordinates. A major fault of some managers who move up the executive ladder—or of the pioneer who has built a large business from the small beginning of, say, a garage machine shop—is that they want to continue to make decisions for the positions they have left. Corporate presidents and vice presidents, who insist on confirming every purchase or approving the appointment of every labourer or secretary, do not realize that doing so takes their time and attention away from far more important decisions.

If the size or complexity of the organization forces delegation of authority, managers should realize that there is a "law of comparative managerial advantage," somewhat like the law of comparative economic advantage that applies to nations. Well known to economists and logically sound, the law of comparative economic advantage states that a country's wealth will be enhanced if it exports what it produces most efficiently and imports what it produces least efficiently, even though it could produce the imported goods more cheaply than any other nation. Likewise, managers will enhance their contributions to the firm if they concentrate on tasks that contribute most to the firm's objectives and assign to subordinates other tasks, even though they could accomplish them better themselves.

**Willingness to let others make mistakes** Although no responsible manager would sit idle and let a subordinate make a mistake that might endanger the company or the subordinate's position in the company, continual checking on the subordinate to ensure that no mistakes are ever made will make true delegation impossible. Since everyone makes mistakes, a subordinate must be allowed to make some, and their cost must be considered an investment in personal development.

Serious or repeated mistakes can be largely avoided without nullifying delegation or hindering the development of a subordinate. Patient counselling, asking leading or discerning questions, and carefully explaining the objectives and policies are some of the methods available to the manager who would delegate well. None of these techniques involve discouraging subordinates with intimidating criticism or harping on their shortcomings.

**Willingness to trust subordinates** Superiors have no alternative to trusting their subordinates, for delegation implies a trustful attitude between them. This trust is sometimes hard to come by. A superior may put off delegation with the thought that subordinates are not yet experienced enough, that they cannot handle people, that they have not yet developed judgement, or that they do not appreciate all the facts bearing on a situation. Sometimes these considerations are true, but then a superior should either train subordinates or else select others who are prepared to assume the responsibility. Too often, however, bosses distrust their subordinates because they do not want to let go, are threatened by subordinates' successes, do not delegate wisely, or do not know how to set up controls to ensure proper use of the authority.

**Willingness to establish and use broad controls** Since superiors cannot delegate responsibility for performance, they should not delegate authority unless they are willing to find means of getting feedback, that is, of assuring themselves that the authority is being used to support enterprise or department goals and plans. Obviously, controls cannot be established and exercised unless goals, policies, and plans are used as basic standards for judging the activities of subordinates. More often than not, reluctance to delegate and to trust subordinates comes from the superior's inadequate planning and understandable fear of loss of control.

## Overcoming Weak Delegation

The following practical guides will facilitate a successful delegation:

- **Define assignments and delegate authority in the light of results expected.** Or, to put it another way, grant sufficient authority to make possible the accomplishment of goal assignments.
- **Select the person in the light of the job to be done.** Although the good organizer will approach delegation primarily from the standpoint of the task to be accomplished, in the final analysis staffing as a part of the total system of delegation cannot be ignored.
- **Maintain open lines of communication.** Since the superior does not delegate all authority or abdicate responsibility, and since managerial independence therefore does not exist, decentralization should not lead to insulation. There should be a free flow of information between superior and subordinate, furnishing the subordinate with the information needed to make decisions and to interpret properly the authority delegated. Delegations, then, do depend on situations.
- **Establish proper controls.** Because no manager can relinquish responsibility, delegations should be accompanied by techniques for ensuring that the authority is properly used. But if controls are to enhance delegation, they must be relatively broad and be designed to show deviations from plans, rather than interfering with routine actions of subordinates.
- **Reward effective delegation and successful assumption of authority.** Managers should be ever-watchful for means of rewarding both effective delegation and effective assumption of authority. Although many of these rewards will be monetary, the granting of greater discretion and prestige—both in a given position and by promotion to a higher position—is often even more of an incentive.