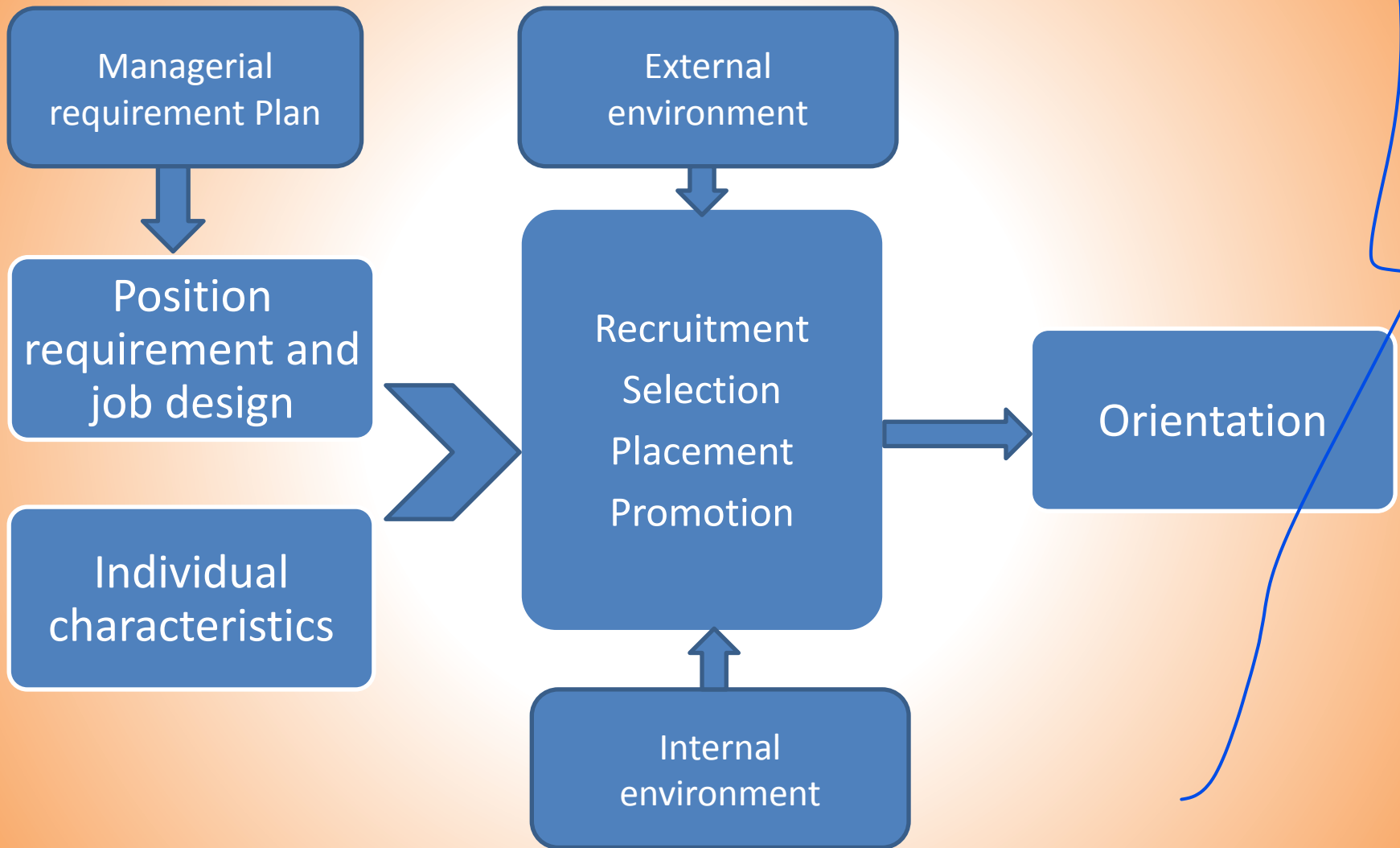# AL61 – M&E

Unit 2

Staffing, Leading and Controlling

Staffing

- Filling and keeping filled, the positions in the organization structure
- Identifying work requirements, inventorying the people available
- Recruiting, selecting, placing, promoting, appraising, compensating and training
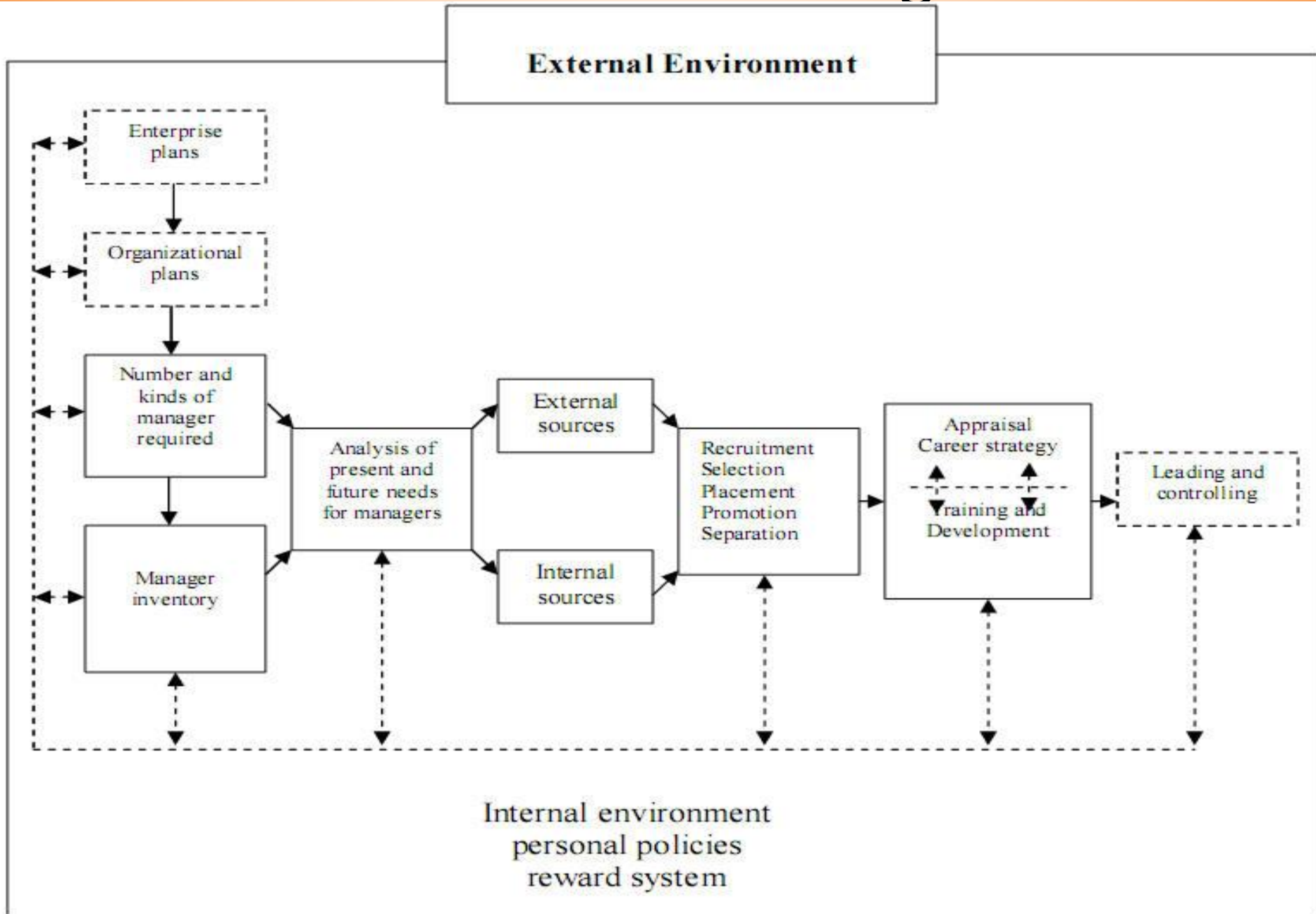
Systems Approach

The Purpose of Staffing

Principle of the objective of staffing. The objective of managerial staffing is to ensure that organizational roles are filled by qualified personnel who are able and willing to occupy them.

Principle of staffing. The clearer the definition of organizational roles and their human resource requirements, and the better the techniques of manager appraisal and training employed, the higher the managerial quality.

Process of Staffing

External Environment

Enterprise plans

Organizational plans

Number and kinds of manager required

Manager inventory

Analysis of present and future needs for managers

External sources

Internal sources

Recruitment
Selection
Placement
Promotion
Separation

Appraisal
Career strategy

Training and Development

Leading and controlling

Internal environment
personal policies
reward system

Factors Affecting Staffing

INTERNAL ENVIRONMENT	EXTERNAL ENVIRONMENT
Promotion policy	Labor Laws
Future Growth plans of Organization	Pressure from Socio-political group
Technology Used	Competition
Support from Top Management	Educational Standards
Image of the Organization	Other external factors

Factors Affecting Staffing

Situational Factors

- Women in Management – fair employment practices, changing societal attitudes, desire of companies to project a favorable image by placing qualified women in management
- Staffing in international environment – global firms, geocentric attitude
- Internal environment – promotion from within
- Open competition
- Responsibility of staffing
- Top management support

Discussion

In a company all recruiting, screening and training process for data entry, etc. are done by one officer only. Their competitor was attracting most qualified employees. As a result this company had to choose from candidates who have soft skills and less qualifications. On the basis of above case answer the following questions:

(i) What problem do you see company is facing?

(ii) How can this problem m be solved?

Discussion

Zenith Ltd. is a highly reputed company and many people wanted to join this company. The employees of this organization are very happy and they discussed how they came in contact with this organization.

Aman said that he was introduced by the present Sales manager, Mr. John.

Benu said that he had applied through the newspaper and was appointed as H.R. John.

Vaibhav said that he was neither related to any of the employee of the organization nor there was any advertisement in the newspaper even then he was directly called from HM Ahmedabad from where he was about to complete his MBA.

- The above discussion is indicating an important function of management.
- Name the function of management.

- Explain the steps in this function

Discussion

- Significant staffing problem for a company is being understaffed. This affects several areas of a business. Companies can expect productivity to suffer, stress levels to increase, and a lack of growth in business.

- What is the solution?

Discussion

- In-house recruiters sometimes do not have enough time or resources to recruit and screen candidates. As a result, companies end up with bad hires, further adding to the turnover rate.

Discussion

- **Hiring Workers Who Clash with the Company Culture**
- **Inflexible Staff??**
- **Not Being Able to Fill a Position Quickly**

Human factors in managing

- **Multiplicity of roles** – there are social systems… families, schools, churches, trade associations. Ethics that guide behavior
- Managers and people they lead are interacting members of broad social systems
- **No average person –** organizations assume that there is average person; firms develop rules, regulations, procedures, safety standards etc.. Assuming that all people are alike
- This assumption is important for an organization but it is essentially important to acknowledge that individuals are unique---with different needs, ambitions, attitudes, desires skills, potentials

Human factors in managing

- **Importance of personal dignity** – means of achieving organization objectives should not violate dignity of people. People must be treated with respect.

- **Considering the whole person** --- not only knowledge, attitudes, skills and traits. A person has all of them to different extents. Managers must be prepared to deal with different people.

Leading

- Leadership is the ability to influence others, with or without authority.

All successful endeavors are the result of human effort; thus, the ability to influence others is a derivation of

- Interpersonal Communications
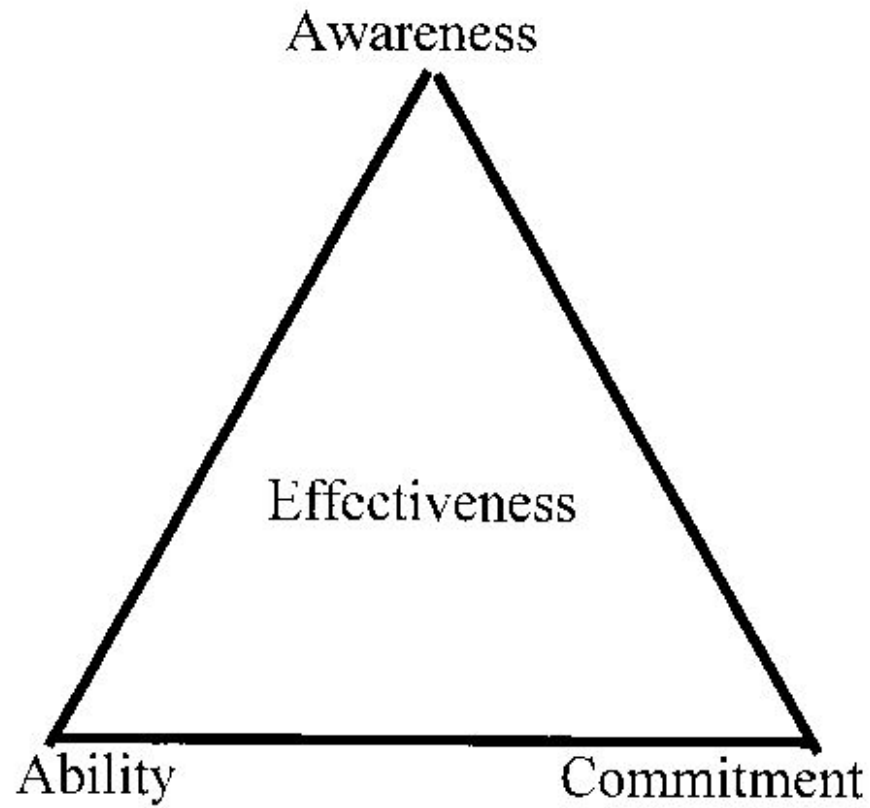- Conflict Management
- Problem solving

Leading

Interpersonal effectiveness is the capability of an individual to do this, influence others, competently.

Leadership is a direct function of three elements of interpersonal effectiveness

- Awareness
- Ability
- Commitment

Leading

Awareness

Effectiveness

Ability   Commitment

Ingredients of leadership

Four key ingredients

1. Power – to use power effectively and in a responsible manner
2. Understand human beings – to comprehend that human beings have different motivation forces at different times and in different situations
3. Inspire others
4. To act in a way that will develop a climate which is conducive to responding to and arousing motivations

Characteristics of a leader

- **Guiding vision:** Effective leaders know what they want to do, and have the strength of character to pursue their objectives in the face of opposition and in spite of failures. The effective leader establishes achievable goals.

- **Passion:** Effective leaders believe passionately in their goals. They have a positive outlook on who they are, and they love what they do. Their passion for life is a guiding star for others to follow, because they radiate promise!

Characteristics of a leader

- **Integrity:** Because they know who they are, effective leaders are also aware of their weaknesses. They only make promises they can follow through on.

- **Honesty:** Leaders convey an aura of honesty in both their professional and their personal lives.

- **Trust:** Effective leaders earn the trust of their followers and act on behalf of their followers.

- **Curiosity:** Leaders are learners. They wonder about every aspect of their charge. They find out what they need to know in order to pursue their goals.

- **Risk:** Effective leaders take calculated risks when necessary to achieve their objectives. If a mistake is made, the effective leader will learn from the mistake and use it as an opportunity to explore other avenues.

Characteristics of a leader

- **Charisma:** This may be the one attribute that is the most difficult to cultivate. It conveys maturity, respect for your followers, compassion, a fine sense of humor, and a love of humanity. The result is that leaders have the capability to motivate people to excel.

- **Listening:** Leaders Listen! This is the most important attribute of all, listen to your followers.

Case study on leading

- Starbucks is recognized for treating its employees, also known as partners, well. The coffee giant offers insurance benefits, stock options and retirement plans. But back in 1997, Starbucks faced a crisis when tragedy struck and three employees were killed during a robbery in Washington, D.C. The outstanding leadership of CEO Howard Schultz was demonstrated when he flew straight to D.C. and spent a week with the co-workers and families of the three employees.

- While some leaders might have stayed as far away as possible from this tragic situation, Shultz's natural leadership traits prevailed. With compassion, approachability and a dedication to meeting his partners' needs, he did what was right. As a result, the public viewed him and Starbucks more favorably.

CONTROLLING

Controlling

– A process of monitoring performance and taking action to ensure desired results.

– It sees to it that the right things happen, in the right ways, and at the right time.

– it ensures that the overall directions of individuals and groups are consistent with short and long range plans.

– It helps ensure that objectives and accomplishments are consistent with one another throughout an organization.

Basic control process

- **Establishing standards** -The control process begins with planning and the establishment of performance objectives. Performance objectives are defined and the standards for measuring them are set.

- **Measuring performance against these standards**--Measurements must be accurate enough to spot deviations or variances between what really occurs and what is most desired.

- **Correcting the variations**

Critical Control Points and Standards

- Principle of critical-point control – effective control requires attention to those factors critical to evaluating performance against plans.

Questions for selecting critical points

- What will best reflect the goal of my department?
- What will best show me when these goals are not being met?
- What will best measure critical deviations?
- What will tell me who is responsible for any failure?
- What standards will cost the least?

Types of critical-point standards

- Physical Standards

Nonmonetary measurements and are common at the operating level, where materials are used, labor is employed, services are rendered, and goods are produced. May reflect quantities, or qualities; such as labor-hours per unit of output and fastness of a   color, respectively.

Types of critical-point standards

- Cost Standards
  -are common at the operating level.
  Illustrative of cost standards widely used are:
  direct and   indirect costs per unit produced

and labor cost per unit or per hour.

Types of critical-point standards

- Capital Standards
Application of monetary measurements to physical items.

- Have to do with the capital invested in the firm rather than with operating costs, and are therefore primarily related to the balance sheet rather than to the income statement.

Types of critical-point standards

- Revenue Standards-Arise from attaching monetary values from

sales.

- May include such standards as revenue per bus passenger-
  mile, average sales per customer, and sales per capita in a given market area.

Types of critical-point standards

- Program Standards-A manager may be assigned to install a   variable budget program, a program for
formally following the development of new products, or a program improving the quality of a sales force

Types of critical-point standards

- Intangible Standards: More difficult to set

are standards not expressed in either physical or monetary measurements.

What standard can a manager use for determining the competence of the divisional purchasing agent or the personnel director?

What can one use for determining whether the advertising program is successful?

Are supervisors loyal to the company's objectives?

Are the office staff alert?

Types of critical-point standards

- Goals as Standards:
- modern managers are finding that through research and thinking it is possible to define goals that can be used as performance standards.
- While the quantitative goals are likely to take the form of the standards outlined above, the definition of qualitative goals represents an important development in the area of standards.
- For example, if the program of a district sales office is spelled out to include such elements as training sales people in accordance with a plan with specific characteristics, the plan and its characteristics themselves furnish standards that tend to become objective and therefore "tangible."

Types of critical-point standards

- Strategic Plans as Control Points for Strategic Control:

Strategic control requires systematic monitoring at strategic control points and modifying the organization's strategy based on this evaluation.

Control- as a feedback system

- Many systems control themselves through information feedback
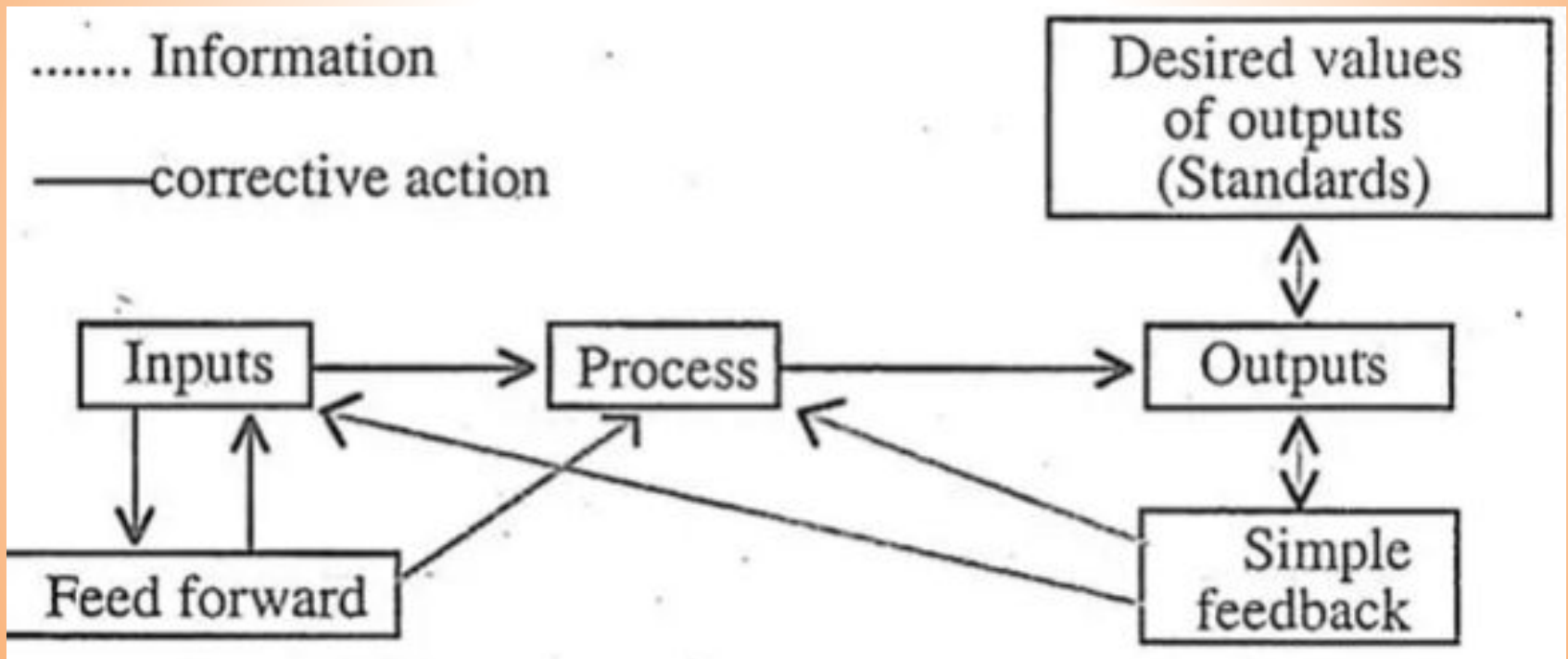- Systems use some of their energy to feedback information

Feed-forward control

- Much management, by experience, has found out that the time-lag in the management-control process necessitates future-directed control. Otherwise, control will be ineffective.

- Effective management control calls for the institution of a system of control that can give the manager, a correct and timely idea of not only taking corrective action, but also of the possibility of the occurrence of certain problems in case they fail to do something about them now.

Feed-forward control

- managers have now realized that simple feedback of either the output of a system or the results of a programme may not be ideal enough for securing effective control.
- This is because such a type of feedback is just a post-mortem and it is not possible to change the past.
- Feed forward control which involves evaluation of inputs is based on the principle that an organization is not stronger than its weakest link.
- It is something like an operator trying to check the working conditions of certain important components of a machine the moment it fails to function properly.

Feed forward control

Feed forward - example

- Feed forward controls at McDonalds
- Ensure suppliers provide product meeting strict specifications
- Bun texture
- Color uniformity etc
- Monitor the progress of suppliers using IT tools

Feed forward control

Advantages of feed-forward control	Disadvantages of feed-forward control
(1) It encourages managers to be proactive and deal with problems before they occur	(1) It may be time consuming as control reports must be produced regularly; and labour- and time-intensive
(2) Reforecasting on a monthly or continuous basis can save time when it comes to completing a quarterly or annual budget	(2) It may require a sophisticated forecasting system, which could be expensive.
	(3) Takes the focus off the day-to-day organisation

Requirements of Effective Controls

Tailoring Controls to Plans and Positions
Reflect the organization structure, showing who is responsible for the execution of plans and for any deviation from them and should be tailored to positions

Tailoring Controls to Individual Managers
Individual Managers carry out their function of control

Designing Controls to Point up Exceptions at Critical Points
Efficient control requires that managers look for exceptions, while effective control requires that managers pay primary attention to things that are most important

Seeking Objectivity of Controls
Manager's or a Subordinate's personality may influence judgments of performance and make them less accurate

Ensuring Flexibility of Controls
If controls are to remain effective despite failure or unexpected changes of plans, they must be flexible
Fitting the Control System to the Organizational Culture
Generalized and permissive control system will hardly succeed

Achieving Economy of Controls
Controls must be worth their costs

Establishing Controls that Lead to Corrective Action
An adequate control system will disclose where failures are occurring and who is responsible for them, as well as ensuring that corrective action is taken