



# Chapter 11: Staffing

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# Content

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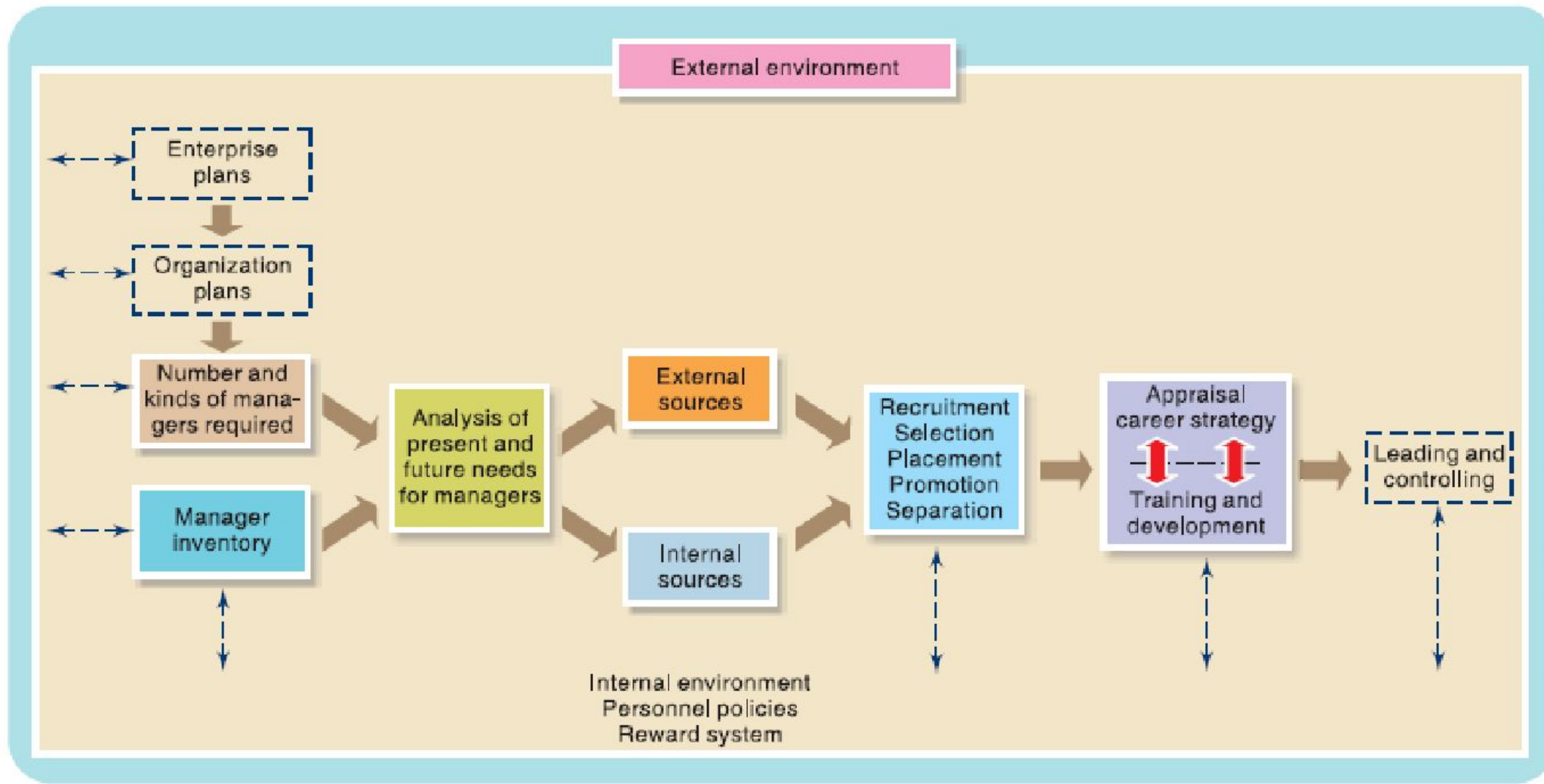
- Definition of staffing
- The system approach to human resource management: An overview of staffing function
- Situational factors affecting staffing
- The system approach to selection: An overview

# 1. Definition of Staffing

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- ❑ 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.

## 2. The system approach to human resource management: An overview of staffing



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- The fig shows how the managerial function of staffing is related to total management system.
- Enterprise plan is the basis for organization plans which is necessary to achieve enterprise objectives.
- The present and projected organization structure determines the number of managers required. Demands are compared with available talent.
- On the basis of analysis, external and internal sources are used in the process of recruitment, selection, placement, promotion, separation.
- Other important aspects of staffing are appraisal, career strategy and training and development of managers.
- Staffing affects leading and controlling. Proper staffing facilitates leading. Selecting quality managers affects controlling.

# An overview of staffing

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- Staffing requires an open-system approach.
- It is carried out within the enterprise, which in turn is linked to the **external environment**.
- Therefore, **internal factors** of the firm — such as personnel policies, the organizational climate, and the reward system — must be taken into account.

# An overview of staffing

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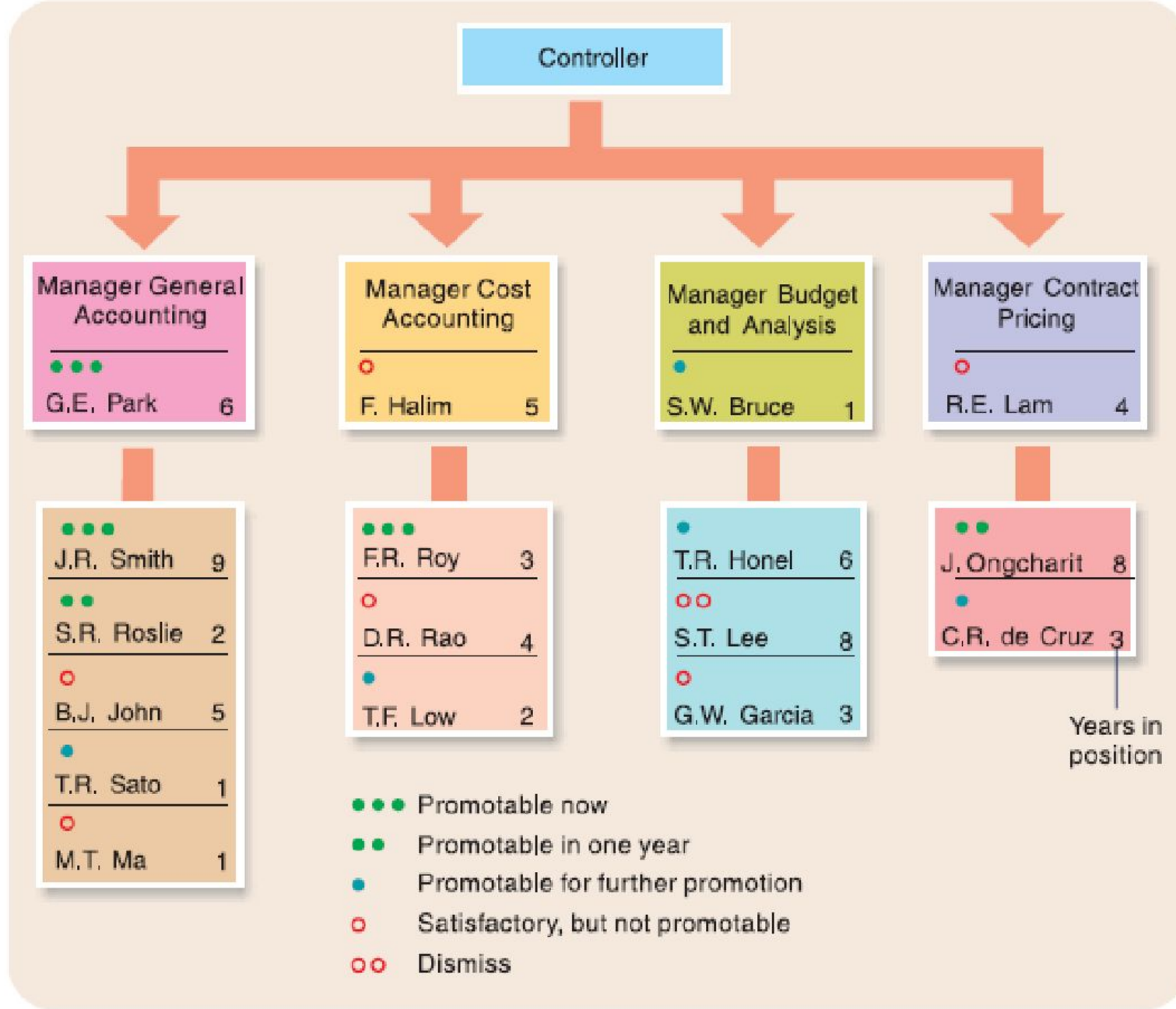
## ■ Factors effecting number and kinds of Managers required

- ✓ The number of managers needed in an enterprise depends not only on the size but also on the complexity of the organization structure, the plans for expansion, and the turnover rate of managerial personnel.
- ✓ The ratio between the number of managers and the number of employees does not follow any law.

## ■ Determination of available managerial resources: The management inventory

- ✓ It is common for any business or nonbusiness enterprises, to keep an inventory of raw materials and goods on hand to enable it to carry on its operation.
- ✓ Keeping abreast of the management potential within a firm can be done by the use of an inventory chart( also called management replacement chart), which is an organization chart of a unit with managerial positions indicated and keyed as to the promotability of each incumbent.

# Manager Inventory Chart





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- Fig depicts a typical manager inventory chart.
- The controller can see where he /she stands with respect to staffing function.
- The controller's successor is probably the manager of general accounting, and this person in turn has the successor ready for promotion.
- Supporting that person in turn is the subordinate who will be ready for promotion in a year, but below that position are one person who does not have potential and two newly hired employees.

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## ■ Analysis for the need of managers: external and internal information sources

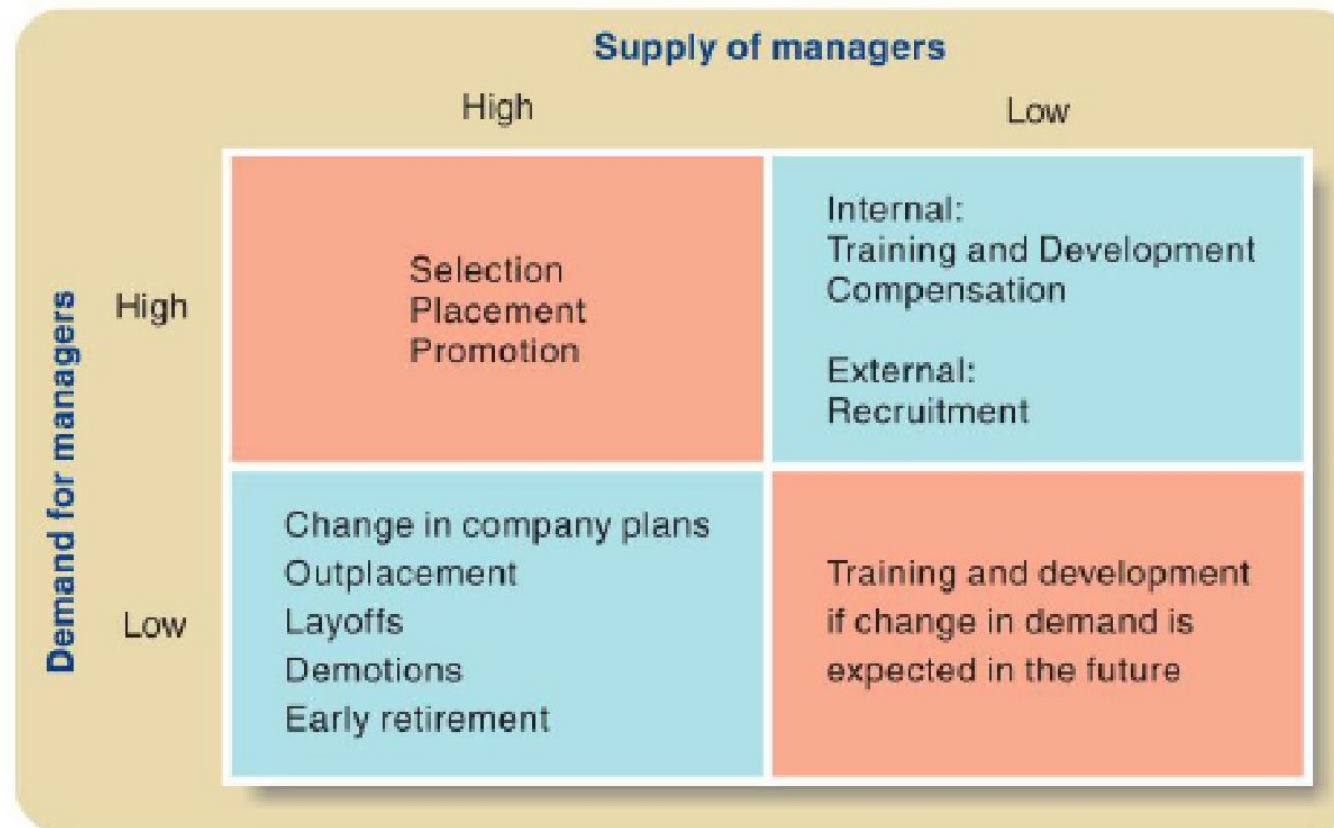
- ✓ The need for managers is determined by enterprise and organization plans , analysis of number of managers required and the number available as identified through management inventory.
- ✓ There are other factors(internal or external), that influence the demand for supply of managers.
- ✓ The external forces include economic, technological, social, political and legal factors.
- ✓ Example: economic growth may result in increased demand for a product, which in turn requires expansion of workforce, thus increasing the demand for managers.

## ■ Important aspects in systems approach to staffing

- ✓ After the need for managerial personnel is determined, a number of candidates have to be recruited. This includes qualified candidates filling the organizational roles.
- ✓ The aim is to place people in positions that allow them to utilize their personal strengths and overcome their weaknesses by getting experience or training in those skills in which they need improvement.
- ✓ Placing a manager in enterprise in a new position often means a promotion , which normally involves more responsibility.

# Supply vs Demand- Manager

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# 3. Situational factors affecting staffing

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## External environment

- **Equal employment opportunity**
- ✓ Many laws have been passed in United States, that provide equal employment opportunity.
- ✓ They prohibit employment practices that discriminate on the basis of race, color, religion, national origin, sex or age.
- ✓ The managers making decisions in these areas must be knowledgeable about these laws and the way they apply to the staffing function.

# 3. Situational factors affecting staffing

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- **Women in management**

- ✓ In last decade or so women have made significant progress in obtaining responsible positions in organizations.
- ✓ They have looked into laws governing fair employment practices, changing societal attitudes towards women in workplace, and the desire of companies to project women a favorable image by placing qualified women in managerial positions.

# 3. Situational factors affecting staffing

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- **Diversity in the workplace**

- ✓ Organizations have diverse workforce.
- ✓ Diverse workplace has implications for staffing such as recruitment, selection, training and development, work schedule flexibility, provision for preventing sexual harassment etc.
- ✓ Working in diverse workplace has many advantages, but also poses challenges for managers like learning and tolerating different views, developing behavioral flexibility, accepting that everyone are different, communication problems, difficulty in reaching agreement etc.

# 3. Situational factors affecting staffing

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## ◦ Staffing in the international environment

**Companies have 3 sources for staffing the positions in international operations:**

- ✓ Managers from the home country of the firm: uses employees from the home country to live and work in the country. These individuals are called expatriates.
- ✓ Managers from the host country: which means to employ people who were born in the country in which the business is operating.
- ✓ Managers from the third country: means to employee people from an entirely different country from the home country and host country.

# Situational factors affecting staffing

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## Internal environment

### ◦ Promotion from within

- ✓ Promoting from within a company helps keep productivity high.
- ✓ New employees appreciate opportunities for advancement and the potential for growth.
- ✓ If your employees know there is a potential career path within the organization, you are less likely to lose promising staff to another organization.
- ✓ Employees are more likely to take advantage of organizational training and educational opportunities if they know these activities can improve their chances of promotion.
- ✓ Eg: when a president retires or dies, we hire a new office worker.

### ◦ Promotion from within large companies

- ✓ Large business and nonbusiness organizations usually have many qualified people that promotion within actually approaches a condition similar to an open-competition policy.
- ✓ Eg: General motors hired a university professor as vice-president to head its environmental control staff.



# Situational factors affecting staffing

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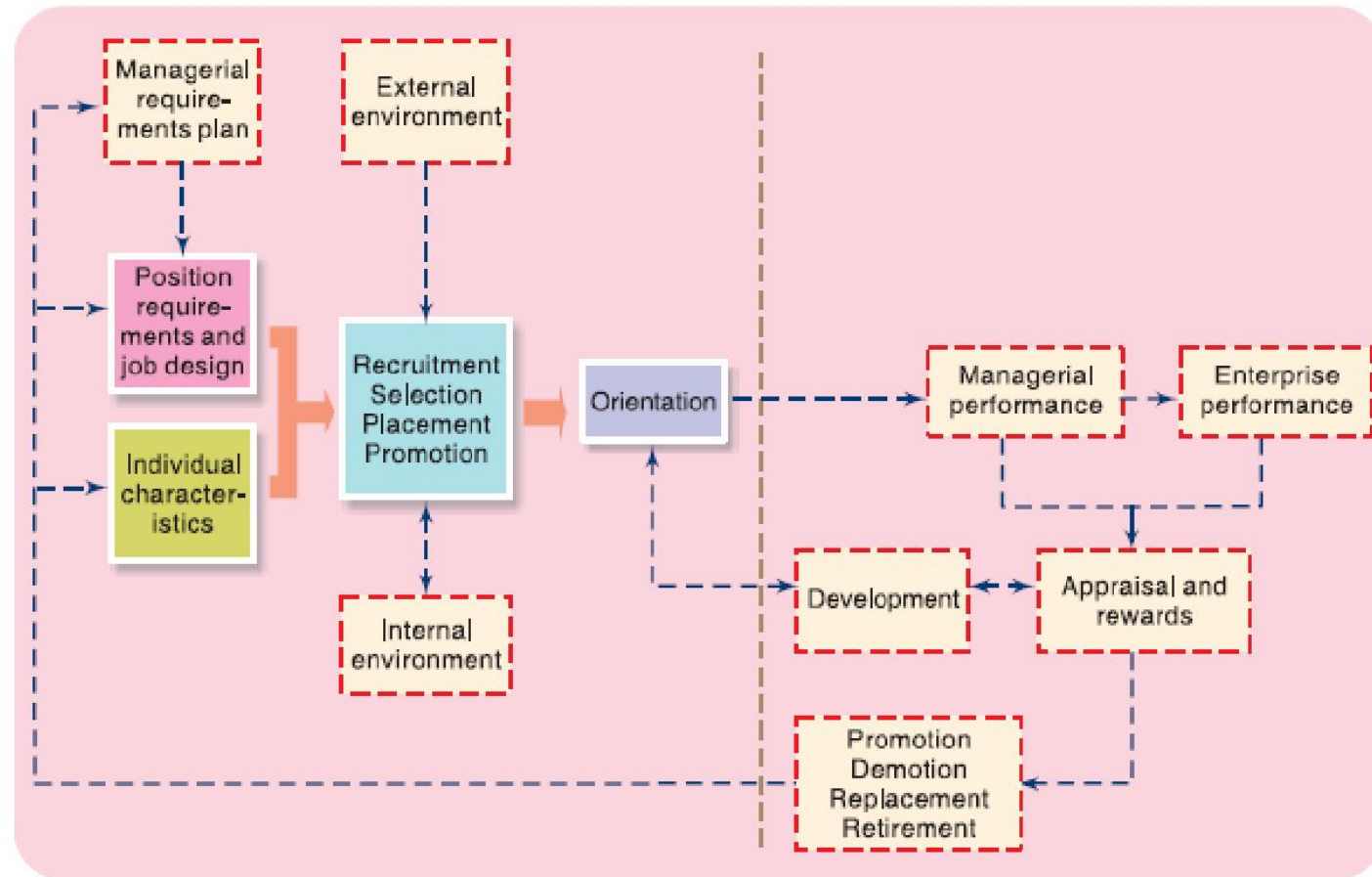
## ◦ **The policy of open competition**

- ✓ Vacant positions should be opened to the best qualified persons available, whether inside or outside the enterprise.
- ✓ A policy of open competition is a better and more honest means of ensuring managerial competence than is obligatory promotion from within.

## ◦ **Responsibility for staffing**

- ✓ While responsibility for staffing should rest with every manager at every level, the ultimate responsibility is with the CEO and the policy-making group of top executives. They have the duty of developing policy, assigning its execution to subordinates, and ensuring its proper application. Policy considerations include decisions about the development of a staffing program, the desirability of promoting from within or securing managers from outside, the source of candidates, the selection procedure to follow, the kind of appraisal program to use, the nature of manager and organization development, and the promotion and retirement policies to follow

# The system approach to selection: An overview



# The system approach to selection: An overview

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- ❑ Since qualified managers aim for success of an enterprise, a systematic approach is essential for manager selection and to the assessment of present and future needs for managerial personnel.
- ❑ The managerial requirements plan is based on firm's objectives, forecasts, plans, and strategies.
- ❑ The plan is translated into position requirements and job design, which are matched with individual characteristics as intelligence, knowledge, skills, attitudes, and experience.
- ❑ To meet organizational requirements, managers recruit, select, place and promote people.
- ❑ This is done by considering internal environment(company policies, manager, supply and demand, and organizational climate) and the external environment(laws, regulations, availability of managers)
- ❑ After people being selected and placed in positions, they must be introduced to new job.
- ❑ This orientation involves learning about the company, its operation and its social aspects.

# chapter 15: Leadership

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# Content

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- Defining Leadership
- Ingredients of Leadership
- Trait approaches to leadership
- Leadership behavior and styles

# 1. Defining leadership

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- ❑ The art or process of influencing people so that they will strive willingly and enthusiastically toward the achievement of group goals.
- ❑ Leaders act to help a group attain objectives through the maximum application of its capabilities.
- ❑ They do not stand behind a group to push and prod (motivate); they place themselves before the group as they facilitate progress and inspire the group to accomplish organizational goals.

## 2. Ingredients of Leadership

Leaders inspire the organization members and chart the course of the organization

- ❑ Leaders **envision the future**; they inspire organization members and chart the course of the organization.
- ❑ Leaders must **instill values** — whether they are concern for quality, honesty, and calculated risk taking or concern for employees and customers.
- ❑ Leadership skill seems to be a compound of at least four major ingredients:
  - (1) Ability to use power effectively and in a responsible manner
  - (2) Ability to comprehend that human beings have different motivating forces at different times and in different situations
  - (3) Ability to inspire
  - (4) Ability to act in a manner that will develop a climate conducive to responding to and arousing motivations.

# Leadership qualities

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- ❑ Power
- ❑ Understanding of people
- ❑ Ability to inspire followers to apply their full capabilities to a project
- ❑ Style of the leader and the organizational climate he or she develops



# TRAIT APPROACHES TO LEADERSHIP

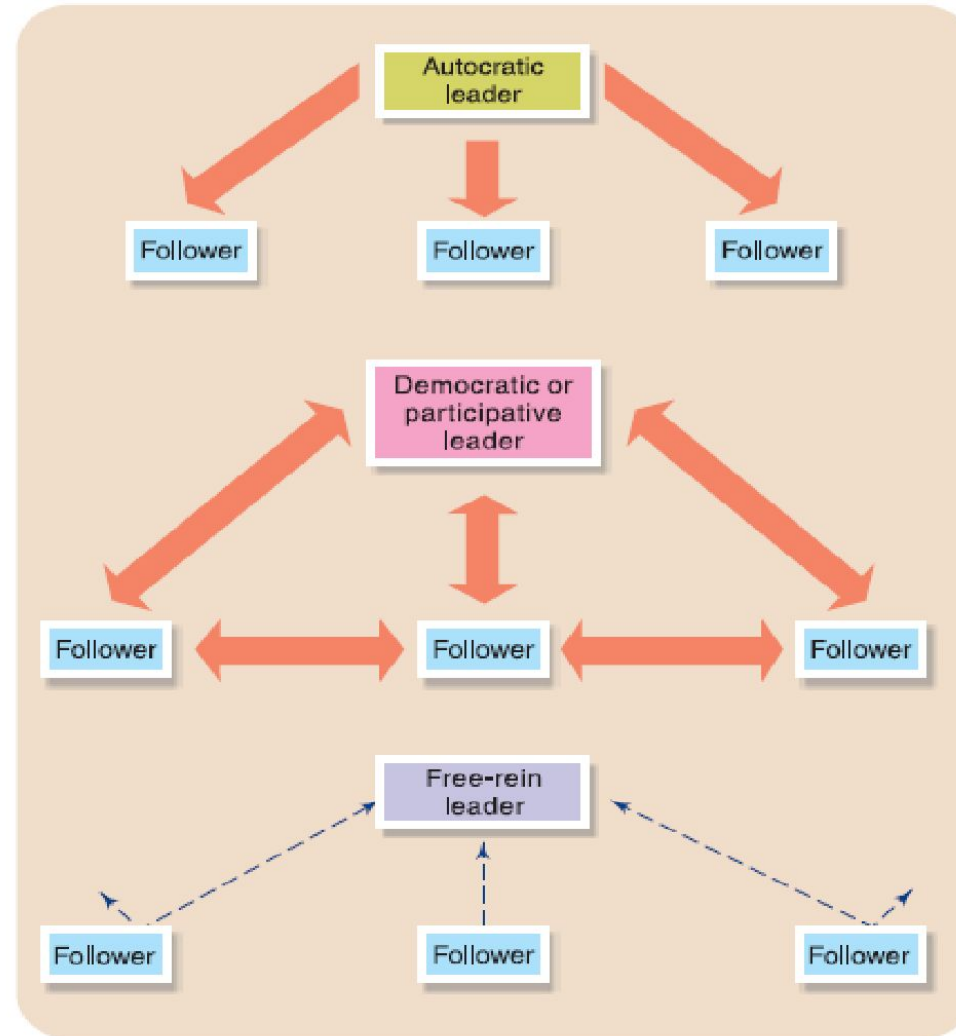
Prior to 1949, studies of leadership were based largely on an attempt to identify the traits that leaders possess. Starting with the “great man” theory that leaders are born and not made, a belief dating back to the ancient Greeks and Romans, researchers have tried to identify the physical, mental and personality traits of various leaders.

Ralph M. Stogdill found that various researchers had identified specific traits related to leadership ability: 5 physical traits( such as energy, appearance, and height), 4 intelligence and ability traits, 16 personality traits( such as adaptability, aggressiveness, enthusiasm and self confidence), 6 task-related characteristics(such as achievement drive, persistence, and initiative)and 9 social characteristics( such as cooperativeness, interpersonal skills, and administrative ability).

Recently the following key leadership traits have been identified: drive( including achievement, motivation, energy, ambition, initiative, and tenacity), leadership motivation, honesty and integrity, self-confidence(including emotional stability), cognitive ability and an understanding of the business.

# 4. Leadership behavior and styles

- Based on use of authority
  - The autocratic leader
  - The democratic, or participative
  - The free-rein leader



# 4. Leadership behavior and styles

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- **The autocratic leader :** Autocratic leadership is a management style wherein one person controls all the decisions and takes very little inputs from other group members. Autocratic leaders make choices or decisions based on their own beliefs and do not involve others for their suggestion or advice.

Example: Bill Gates of Microsoft, Napoleon Bonaparte of the French Empire, Adolf Hitler of the German Empire

- **The democratic, or participative :** Democratic leadership, which is also commonly known as participative leadership, is about letting multiple people participate in the decision-making process. This type of leadership can be seen in a wide range of contexts, from businesses to schools to governments.

Example: Indra Nooyi: Nooyi, the CEO and chairman of PepsiCo, has endeared herself to employees. She takes an interest in the personal lives of employees and has a vision of the company's future.

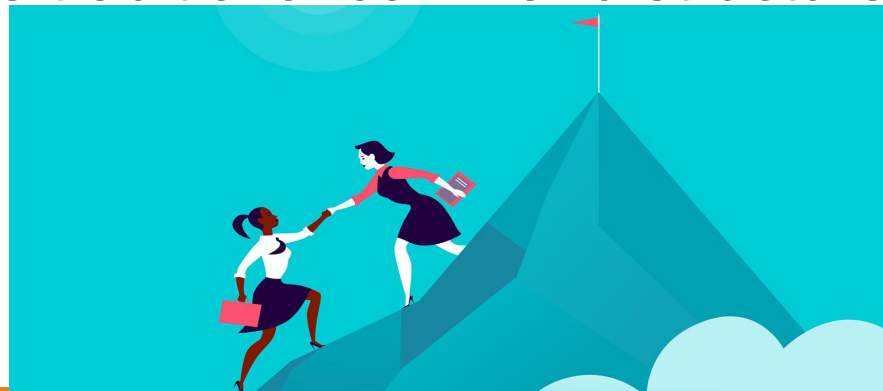
- **The free-rein leader :** Also known as laissez-faire leadership. It is a management style where supervisors give team members freedom to complete tasks, make decisions or solve problems without interfering, unless the employees request it.

Example: Herbert Hoover. He is well-known for having a laissez-faire approach in politics. He used this leadership style as he trusted his teams and their experience and was extremely successful with this leadership approach.

# Do women lead differently?

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- As changing the self-interest of followers into concern for the total enterprise by using interpersonal skills and personal traits to motivate subordinates – **Interactive leadership**
- Men, in contrast, are more likely to see leadership as a **sequence of transactions** with their subordinates.
- Some men use interactive leadership in guiding their subordinates, and some women use the traditional command structure in directing their followers.



# The managerial grid

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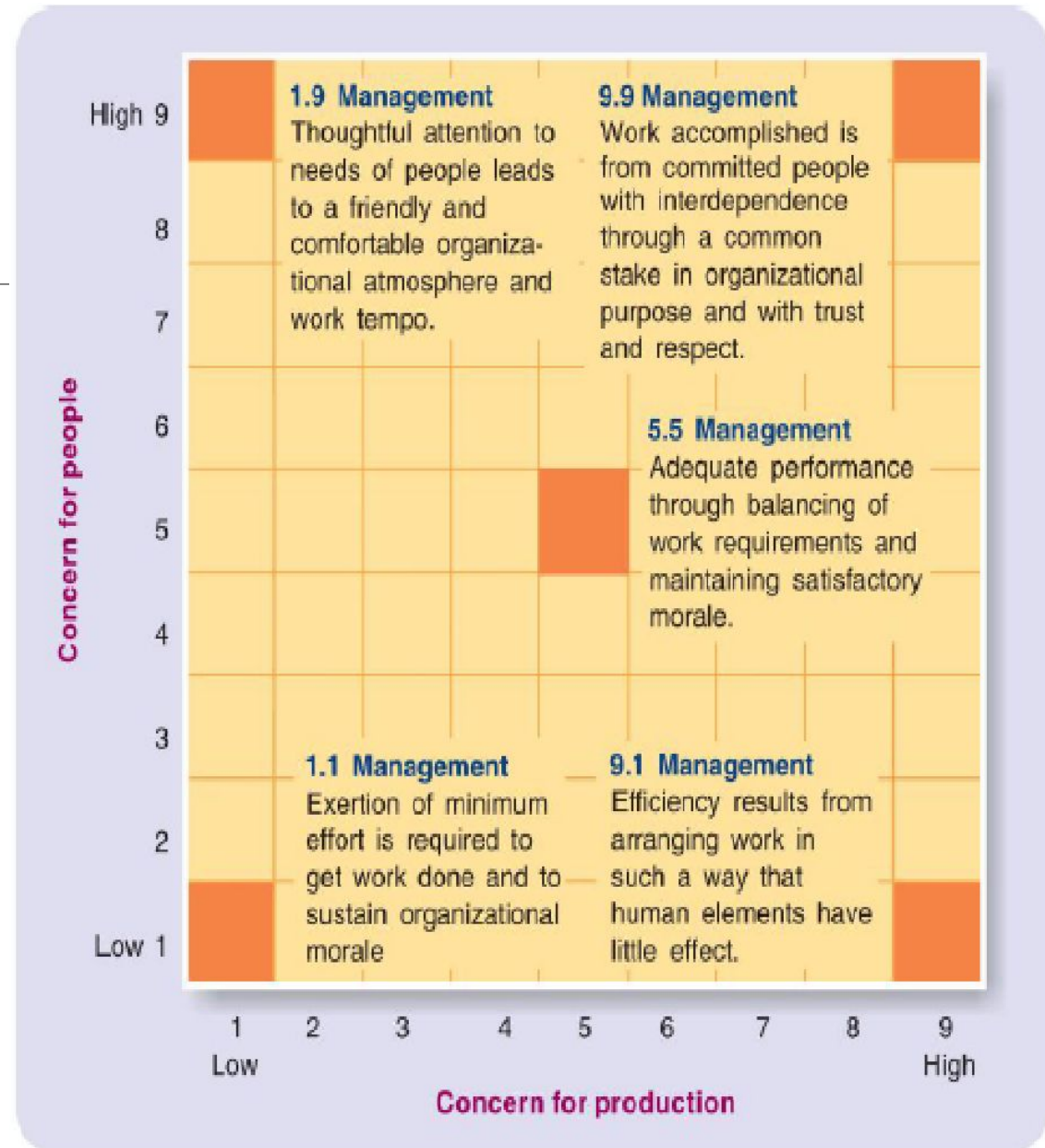
- A well-known approach to defining leadership style is the managerial grid, developed by Robert Blake and Jane Mouton.
- This grid is used throughout the world as a means of training managers and identifying various combinations of leadership styles.
- Grid has two dimensions: concern for people and concern for production.
- The phrase “Concern for” conveys, how managers are concerned about production or how they are concerned about people.

# Concern for production vs people

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- Concern for production includes the attitude of a supervisor toward a wide variety of things, such as the **quality of policy decisions, procedures and processes, creativeness of research, quality of service, work efficiency, and volume of output.**
- Concern for people includes **degree of personal commitment toward goal achievement, maintenance of the self-esteem of workers, placement of responsibility on the basis of trust rather than obedience, provision of good working conditions, and maintenance of satisfying interpersonal relations.**

# The managerial grid



# The four extreme styles

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## **1.1 style - referred as impoverished management**

- ❖ Managers concern themselves as very little with either people and production and have minimum involvement in their jobs.
- ❖ This style of management will generally be considered ineffective.
- ❖ Leaders who use this style are likely to be cold and unresponsive to the needs of their subordinates.

## **9.9 managers**

- ❖ who display in their actions the highest possible dedication both to people and to production –team managers



# The four extreme styles

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## 1.9 management called country club management

- ❖ Managers have little or no concern for production but are concerned only for people.
- ❖ They promote an environment in which everyone are relaxed, friendly and happy and no one is concerned about putting forth coordinated effort to accomplish enterprise goals.

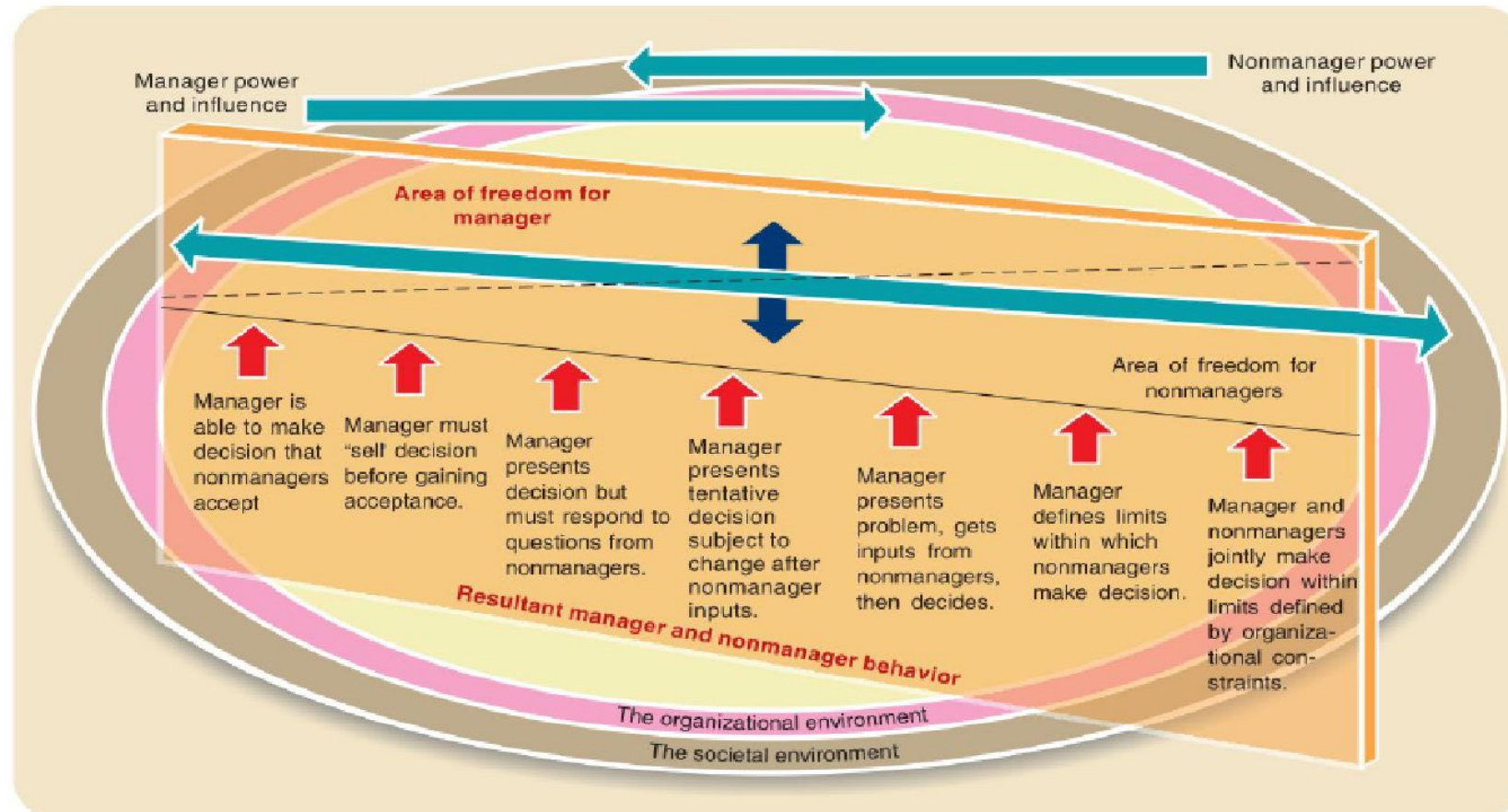
## 9.1 managers - autocratic task managers

- ❖ Concerned only with developing an efficient operation, who have little or no concern for people, and who are quite autocratic in their style of leadership.

## 5.5 managers

- ❖ They have medium concern for production and for people.
- ❖ They obtain adequate, but not outstanding, morale and production.
- ❖ They do not set goals too high and are likely to have autocratic attitude towards people.

# Leadership as a continuum



# Leadership as a continuum

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- ❑ Style of leadership depends on the leader, the followers, and the situation.
- ❑ To Tannenbaum and Schmidt, the most important elements that may influence a manager's style can be seen along the continuum as:
  1. The forces operating in manager's personality, including his or her value system, confidence in subordinates, inclination towards leadership styles, and feelings of security in uncertain situations.
  2. The forces in subordinates that will affect manager's behavior.
  3. The forces in the situation, such as organizational values and traditions, the effectiveness of subordinates working as a unit, the nature of problem and the feasibility of safely delegating the authority to handle it, and the pressure of time.

# Case Study: Bill Gates and Steve Jobs

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Bill Gates started developing his computer skills with his childhood friend Paul Allen at the Lakeside School in Seattle. At the age of 14, the two had formed their first computer company. After high school, Allen and Gates left Seattle for Boston. Gates went off to Harvard and Allen began working for Honeywell. After only two years at Harvard, Gates left and Allen left Boston for Albuquerque to develop a computer language for the new Altair 8080 PC. This computer language would become BASIC and the foundation for Microsoft, which was created as a partnership in 1975. After five years in New Mexico, Microsoft relocated to Bellevue, Washington, in 1980 with BASIC and two other computer languages (COBOL and FORTRAN) in its arsenal. Later that year, IBM began developing its first PC and was in need of an operating system. Microsoft developed the Microsoft disk operating system (MS-DOS) for IBM while two other companies created competing systems. Eventually, Gates's determination and persuasion made MS-DOS IBM's default platform.

As Microsoft became more successful, Gates realized that he needed help for running the company. His enthusiasm, vision, and hard work were the driving force behind the company's growth, but he recognized the need for professional management. Gates hired one of his friends from Harvard, Steve Ballmer who had worked for Procter & Gamble after graduating from Harvard and was pursuing his MBA at Stanford. Gates persuaded Ballmer to leave school and join Microsoft. Over the years, Ballmer became an indispensable asset to both Gates and Microsoft. In 1983, Gates continued to show his brilliance by hiring Jon Shrivley, who brought order to Microsoft and streamlined the organization structure, while Ballmer served as an advisor and sounding board for Gates. Microsoft continued to grow and prosper in the 1990s, dominating both the operating system market with its Windows and the office suite software market with Microsoft Office. Gates recognized that his role was to be the visionary of the company, but he needed professional managers to run Microsoft. He combined his unyielding determination and passion with a well-structured management team to make Microsoft the giant it is today.

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The other visionary, Steve Jobs and his friend Steve Wozniak started Apple Computer in Jobs's garage in Los Altos, California, in 1976. In contrast to Bill Gates, Jobs and Wozniak were hardware experts and started with a vision for a personal computer that was affordable and easy to use. When Microsoft offered the BASIC program to Apple, Jobs immediately dismissed the idea on the basis that he and Wozniak could create their own version of BASIC in a weekend.

This was typical Jobs: decisive and almost maniacal at times. Jobs eventually agreed to license Microsoft's BASIC while pursuing his own vision of developing a more usable and friendly interface for the computer.

Many see Jobs as the anti-Gates. He is a trailblazer and a creator as opposed to Gates, who is more of a consolidator of industry standards. Jobs's goal was to change the world with his computers. He was also very demanding of his employees. Clearly Jobs was different from Gates, Allen, and Wozniak. He was not a hard-core computer programmer but the person selling the idea of the PC to the public. Jobs made the decision to change the direction of Apple by developing the Macintosh (Mac) using a new graphical user interface that introduced the world to the mouse and on-screen icons.

Jobs's strategy forced people to choose between the Microsoft–IBM operating system and his Mac operating system. In the beginning, Jobs was the visionary who changed the computer world. With its early success, a major problem began brewing at Apple: Steve Jobs was overconfident and did not see Gates and Microsoft as a serious threat to Apple.



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Soon after the release of the Macintosh computer, Jobs asked Microsoft to develop software for the Mac operating system. Gates obliged and proceeded to launch a project copying and improving Apple's user interface. The outcome of that venture was Microsoft Windows.

A cocky attitude and lack of management skills made Jobs a threat to Apple's success. He never bothered to develop budgets, and his relationship with his employees was criticized. Wozniak left Apple after the release of the Mac because of differences with Jobs. In 1985, John Scully, CEO of PepsiCo, replaced Steve Jobs as president and CEO of Apple Computer.



# Questions?

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1. How did Bill Gates and Steve Jobs differ in their leadership style?
2. Compare and contrast the managerial practices of Gates and Jobs.