

**CORE COURSE C – 3**  
**MANAGEMENT PRINCIPLES AND APPLICATIONS**  
**FOR BCOM SEM -2**

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## UNIT IV: STAFFING AND LEADING

### 1. What do you mean by Staffing? Explain the steps involved in Staffing.

Staffing refers to the managerial function of employing and developing human resources for carrying out the various managerial and non-managerial activities in an organisation. This involves determining the manpower requirement, and the methods of recruiting, selecting, training and developing the people for various positions created in the organisation.

This, in fact happens to be a continuous process because the organisation's need to retain and update its personnel is a never ending exercise. The managers have to keep a regular watch on the number and composition of the personnel needed by the organisation, because the requirement of manpower keeps on changing and expanding with the expansion of activities and additions of new departments and work units. Not only that, at any point of time, some people will be leaving, retiring, getting promotion or transferred. The vacancies thus created have to be filled up.

#### Definition

- a) **According to Koontz and O'Donnell**, "*Staffing involves managing the organizational structure through proper and effective selection, appraisal and development of personnel to fill the roles designed into the structure.*"
- b) **Theo Haimann**, "*Staffing is concerned with the placement, growth and development of all those members of the organization whose function is to get the things done through the efforts of other individual.*"

#### Steps involved in Staffing (Staffing Process)

1. **Manpower planning/requirements:** The very first step in staffing is to plan the manpower inventory required by a concern in order to match them with the job requirements and demands. Therefore, it involves forecasting and determining the future manpower needs of the concern.
2. **Recruitment:** Once the requirements are notified, the concern invites and solicits applications according to the invitations made to the desirable candidates.
3. **Selection:** This is the screening step of staffing in which the solicited applications are screened out and suitable candidates are appointed as per the requirements.
4. **Orientation and Placement:** Once screening takes place, the appointed candidates are made familiar to the work units and work environment through the orientation programmes. Placement takes place by putting right man on the right job.
5. **Training and Development:** Training is a part of incentives given to the workers in order to develop and grow them within the concern. Training is generally given according to the nature of activities and scope of expansion in it. Along with it, the workers are developed by providing them extra benefits of in-depth knowledge of their functional areas. Development also includes given

them key and important jobs as a test or examination in order to analyse their performance.

6. **Remuneration:** It is a kind of compensation provided monetarily to the employees for their work performances. This is given according to the nature of job—skilled or unskilled, physical or mental, etc. Remuneration forms an important monetary incentive for the employees.

7. **Performance Evaluation:** In order to keep a track or record of the behaviour, attitudes as well as opinions of the workers towards their jobs, a regular assessment is done to evaluate and supervise different work units in a concern. It is basically concerning to know the development cycle and growth pattern of the employees in a concern.
8. **Promotion and Transfer:** Promotion is said to be a non-monetary incentive in which the worker is shifted to a higher job demanding bigger responsibilities as well as shifting the workers and transferring them to different work units and branches of the same organisation.

### **Conclusion**

Staffing is the most vital asset with an organisation, without which it cannot move ahead in the competitive world. It can be equated with HR management as both have similar objectives. It is carried out within the enterprise but is also linked to external environment.

## **2 Write in brief about Herzberg's Two-Factor Theory of Motivation.**

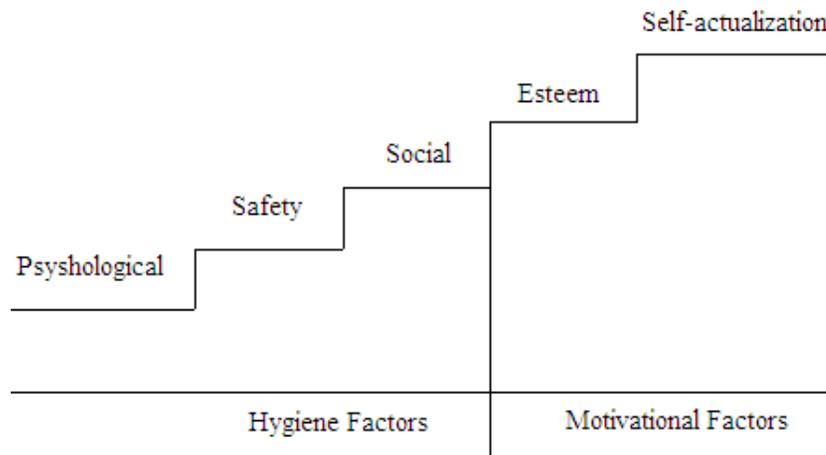
As part of a study of job satisfaction, Herzberg and his colleagues conducted in-depth interviews with over 200 engineers and accountants in the Pittsburgh area. The researchers felt that a person's relation to his work is a basic one and that his attitude towards work would determine his organization related behaviour. The respondents were required to describe in detail the type of environment in which they felt exceptionally good about their jobs and the type of environment in which they felt bad about their jobs. The basic questions that were asked in the survey were the following two:

- What is it about your job that you like? And
- What is it about your job that you dislike?

Based upon these answers it was concluded that there are certain factors that tend to be consistently related to job satisfaction and there are other factors that are consistently related to job dissatisfaction. On the basis of their research, Fredrick Herzberg and his associates developed the two-factor theory in the late 1950s and early 1960s. Herzberg named the factors that are related to job satisfaction as motivational factors, which are intrinsic in nature and factors related to job dissatisfaction as maintenance or hygiene 'factors which are extrinsic in nature. These factors are described in detail as follows:

1. **Hygiene factors:** Hygiene factors do not motivate people. They simply prevent dissatisfaction and MAINTAIN STATUS QUO. They produce no growth but prevent loss. The absence of these factors leads to job dissatisfaction. The elimination of dissatisfaction does not mean satisfaction and these factors simply maintain a "zero level of motivation." For example: if a person indicated "low pay" as a cause of dissatisfaction, it would not necessarily identify "high pay" as a cause of satisfaction. Some of the hygiene factors are:
  - Wages, salary and other types of employee benefits
  - Company policies and administration rules that govern the working environment
  - Interpersonal relations with peers, supervisors and subordinates Cordial relations with all will prevent frustration and dissatisfaction
  - Working conditions and job security. The job security may be in the form of tenure or a strong union could support it.

- Supervisor's technical competence as well as the quality of his supervision. If the supervisor is knowledgeable about the work and is patient with his subordinates and explains and guides them well, the subordinates would not be dissatisfied in this respect. All the hygiene factors are designed to avoid damage to efficiency or morale and these are not expected to stimulate positive growth. Hawthorne experiments were highly conclusive in suggesting that improvements in working conditions or increments in financial benefits do not contribute to motivated performance. A new plant or upgraded facilities at a plant seldom motivate workers if the workers do not enjoy their work and these physical facilities are no substitute for employee feelings of recognition and achievement.
2. **Motivational factors:** These factors are related to the nature of work (job content) and are intrinsic to the job itself. These factors have a positive influence on morale, satisfaction, efficiency and higher productivity. Some of these factors are:
- (i) **The job itself:** To be motivated, people must like and enjoy their jobs. They become highly committed to goal achievement and do not mind working late hours in order to do what is to be done. Their morale is high as evidenced by lack of absenteeism and tardiness.
  - (ii) **Recognition:** Proper recognition of an employee's contribution by the management is highly morale boosting. It gives the workers a feeling of worth and self esteem. It is human nature to be happy when appreciated. Thus, such recognition is highly motivational.
  - (iii) **Achievement:** A goal achievement gives a great feeling of accomplishment. The goal must be challenging, requiring initiative and creativity. An assembly line worker finishing his routine work hardly gets the feeling of achievement. The opportunities must exist for the meaningful achievement; otherwise workers become sensitized to the environment and begin to find faults with it.
  - (iv) **Responsibility:** It is an obligation on the part of the employee to carry out the assigned duties satisfactorily. The higher the level of these duties, the more responsible the work would feel and more motivated he would be. It is a good feeling to know that you are considered a person of integrity and intelligence to be given a higher responsibility. It is a motivational factor that helps growth.



- (v) **Growth and advancement:** These factors are all interrelated and are positively related to motivation. Job promotions, higher responsibility, participation in central decision-making and executive benefits are all signs of growth and advancement and add to dedication and commitment of employees. The Herzberg's two-factor model is tied in with Maslow's basic model in that Maslow is helpful in identifying needs and Herzberg provides us with directions and incentives that tend to satisfy these needs. Also the hygiene factors in Herzberg's model satisfy the first three levels of Maslow's model of physiological needs, security and safety needs and social needs and social needs and the motivational factors satisfy the last two higher level needs of esteem and self-actualization.

### Criticisms

Some researchers do not agree with Herzberg's model as being conclusive, since the results were based primarily on the responses of white collar workers (*accountants and engineers*) and do not necessarily reflect the 'blue collar workers' opinion who may consider hygiene factors as motivational factors. Some studies have found that the effect of hygiene factors and motivational factors are totally reversed on some people. They are highly motivated by financial rewards, organized supervision, well-defined work rules, pleasant working environment and positive employee 'interaction and do not give much importance to achievement and self-actualization.

Another criticism about Herzberg's two-factor theory dwells upon the method of research and data collection. The theory was developed on the basis of "critical incident" method. According to this method, the respondents were asked to indicate particular incidents, which they felt, were associated with their satisfaction or dissatisfaction with their jobs. This means that the theory is "method bound" and studies that use other" methods for measuring satisfaction and dissatisfaction fail to support the

validity of Herzberg's theory. Furthermore, the theory does not take into consideration individual differences in values and outlook as well as the individual's' age and organizational level. However, this theory has contributed to one management program that has lent itself to the enhancement of motivators. It provides valuable guidelines for structuring the jobs in order to include within the job content such factors, which bring about satisfaction.

### 3. Explain Abraham Maslow's Need Hierarchy Theory of Motivation.

#### Introduction

Ever since human organizations were established, people were grappling with the question of "What motivates people in the organization most?" This has led to the development of various theories of motivation. .

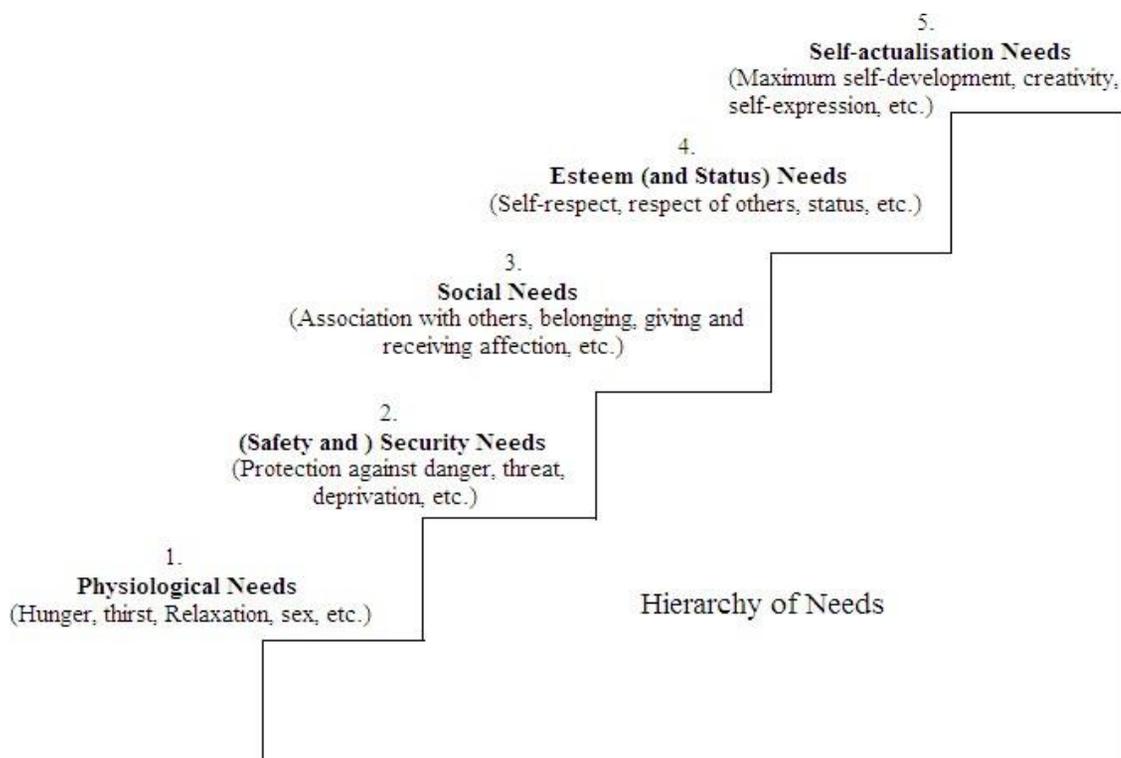
#### Maslow's Need Hierarchy Theory

Abraham H. Maslow, an eminent US psychologist, offered a general theory of motivation, called the 'Need Hierarchy Theory' in his classic paper published in 1943. He proposed that motivation of people depends on their needs and these needs may be arranged in a hierarchy (from the lower to the higher).

#### Assumptions of the Need Hierarchy Theory

1. People's needs are in hierarchical order starting from the basic needs to higher order needs.
2. A satisfied need does not motivate a person; only the next higher order need motivates him.
3. A person moves to the next order higher needs of the need hierarchy when his lower order need is reasonably satisfied.
4. Various needs are interdependent and overlapping; each higher order need emerges before the lower order need has been completely satisfied. Thus, even though a need is satisfied, it does not disappear and influences behaviour but it is not a prime motivator.

The need hierarchy is as below:



1. **Physiological Needs:** Physiological needs are basic to everyone to maintain his/her physiological characteristics, for example, needs for food, clothing, shelter, etc. in the organization, these needs are satisfied by paying adequate remuneration for work done.
2. **Safety and Security Needs:** Safety needs are related to self-preservation—being free of physical danger. After satisfying the physiological needs, people want the assurance of maintaining a given economic level. They want job security, personal bodily security, security of source of income, provision for old age, insurance against risk, etc. In the organization, these needs are satisfied by job security and financial incentive having long-term implications like provident fund, pension, insurance plan, etc.
3. **Social Needs:** Social needs are related to belongingness of people at work, acceptance by others, working in harmonious group, etc. In the organization, such needs are satisfied by creating harmonious work groups, rapport between superior and his subordinates, informal organization, etc.
4. **Esteem and Status Needs:** Esteem needs are concerned with self-respect, self-confidence, feeling of worthwhile, recognition of good work, etc. In the organization, esteem needs are satisfied by giving recognition of good work in the form of promotion, award, specialized posting, etc.
5. **Self-actualization (Self-fulfillment) Needs:** Self-actualisation needs are concerned with maximum use of one's potential. In other words, the need for self-fulfillment or need to fulfill what a person considers to be his mission in life. It involves realizing one's potentialities for continued self-development and for being creative in the broadest sense of the word. After his other needs are fulfilled, a man has the desire for personal achievement. He wants to do something which is challenging and since this challenge gives him enough dash and initiative to work, it is beneficial to him in particular and to the society in general. The sense of achievement gives him psychological satisfaction.

### **Critical evaluation of Maslow's Need Hierarchy**

Maslow's theory has application to the lower level workers in a country like India where the basic needs of the workers are not satisfied. It points out that people are motivated by unfulfilled needs. It also postulates that as lower-level needs are fulfilled, upper-level needs replace them. Thus, Maslow's theory seems to be a very simple description of the complex process of motivation of human beings. The limitations of Maslow's theory are as under:

1. Every individual may have a different need hierarchy which may not follow the sequence suggested by Maslow. For instance, an individual may have social or egoistic needs even though his safety need is not satisfied as yet.
2. It is wrong to presume that only one need is satisfied at one time. Man's behaviour at any time is mostly guided by multiplicity of motives. However, one or two motives in any situation may be

prominent, while others may be of secondary importance. Moreover, at different levels of needs, the motivation will be different.

3. Money can act as a motivator only for physiological and social needs, not for satisfying higher level needs. Employees are enthusiastically motivated by what they are seeking, more than by what they already have. They may react cautiously in order to keep what they already have, but they move forward with enthusiasm when they are seeking something else. In other words, man works for bread alone as long as it is not available.
4. There are always some people in whom the need for self-esteem seems to be more prominent than that of love. There are also creative people in whom the drive for creativeness seems to be more important. In certain people, the level of operation may be permanently lower. For instance, a person who has experienced chronic unemployment may continue to be satisfied for the rest of his life if only he can get enough food and clothes. Another cause of reversal of need hierarchy is that when a need has been satisfied for a long time, it may be under-valued.
5. It is doubtful that once a need is satisfied it loses its motivating force. It is also doubtful that satisfaction of one need automatically activates the next need in the hierarchy. Some persons will not aspire after their lower-order needs have been satisfied. Human behaviour is the outcome of several needs acting simultaneously. The same need may not lead to the same response in all individuals.
6. Needs are not the only determinants of human behaviour. People may engage in behaviours that are in no way concerned with the satisfaction of their needs. In practice, behaviour is influenced by needs, expectations, perception, etc. It is also influenced by the cultural background of people.

All the same, Maslow's model attained extensive popularity and research attention. Its popularity stems from its basic simplicity and intuitive appeal. The propositions made by Maslow could not be rigorously tested empirically. Hence his theory could not be validated. However, theory is said to contain some fundamental human truths which do not require any proof.

#### **4. Define Leadership. Write in brief about Trait Theory of Leadership.**

According to Koontz and O'Donnell, "Leadership may be defined as the activity to exert interpersonal influence by means of communication toward the achievement of a goal."

According to George R. Terry, "Leadership is the ability to influencing people to strive willingly for mutual objectives."

#### **Trait Theory**

Traditionally, it is believed that leaders are born not made. Successful leaders are said to possess certain traits or qualities that separate them from 'crowd'. The Trait Theory suggests that an individual who has traits relevant to leadership emerges as an effective leader. A trait is a distinguishable and relatively enduring quality of an individual that affects his behaviour.

It is the oldest theory popularised from the time of ancient Greeks. This theory has also been called the "the Great Man Theory" because it is based on a set of traits which are common to great men. It seeks to rationalise the greatness of leaders. It follows that a leader is thought to possess certain traits which separate him from the common mass of followers. Traits are innate (*that you are born with*) and

inherent (*that is basic or permanent part of something that which cannot be removed*) personal qualities. Researchers have concluded that for being successful, a leader should have following traits (*qualities*):

- 1) **Sound Physique:** A good leader must have good health and physical fitness. He requires tremendous stamina and vigour for hard work. He should have good physical personality.
- 2) **Intelligence:** A leader should be intelligent enough to examine problems in the right perspective. He should have the ability to assess the pros and cons of his actions in a particular situation. He requires a logical bent of mind and a mature outlook. Only a knowledgeable and competent person can instruct subordinates correctly.
- 3) **Initiative:** A leader should have initiative and courage. He should not wait for opportunities to come to his way rather he should grab the opportunity and use it for the benefit of the organization.
- 4) **Integrity:** A leader should be honest and sincere. He should be a role model to others in terms of ethics and values.
- 5) **Decisiveness:** The leader should be decisive and firm in his opinion. He should have an objective outlook, free from bias and prejudice. He should form his opinion and judgment on the basis of facts alone. He need an open mind (*willingness to learn*), is willing to listen (*good listener wins the respect of others*) to others and adopt new ideas.
- 6) **Emotional Stability:** The leader should have a cool temperament and emotional balance. He should not be unduly moved by emotions and sentiments. He should not lose temper or show indecisiveness even in the face of heavy odds.
- 7) **Self-confidence and Will Power:** A good leader should have confidence in his own ability to lead others. He requires the will power to meet the needs of every situation. He can inspire others and win their trust only when he has full confidence in himself and a strong will to win.
- 8) **Communication Skills:** A good leader should be able to communicate clearly and precisely the goals and procedures to be followed. This is necessary for persuading and convincing people. The skill to listen patiently and with empathy is also necessary. Communication skills enable the leader to understand the followers and motivate them.
- 9) **Vision and Foresight:** A leader should be able to anticipate or visualize the future course of events. He needs a sound judgment and the ability to take right decisions at the right time.
- 10) **Sense of Responsibility:** A leader should be trustworthy so that subordinate can depend on him. He should be willing to assume responsibility for results. He needs a strong urge to accomplish goals. Only a responsible leader can command respect of his followers.
- 11) **Empathy:** The ability of a leader to look at things from others' point of view is known as empathy. To be a good leader, the manager must understand the needs and aspirations of his subordinates. The effect of his own behaviour on followers can also be anticipated by the leader with empathy.
- 12) **Social Skills:** A good leader must be able to win the confidence and loyalty of people. He should have the capacity to create team spirit among his followers. He should understand and respect the feelings and aspirations of his subordinates. A leader can develop friendly relations with his people only when he has social skills.

### **Criticism**

The trait theory has been criticised on the following grounds:

- i) The list of personality traits is very long. The researchers often disagree over which traits are most essential for an effective leader.
- ii) It is difficult to define traits. When posed with the question of defining a trait, executives often come out with a bewildering variety of explanations, making a mockery of the trait theory.
- iii) It is difficult to measure traits. The measurement tools are employed to quantify traits (in ways that will make them useful to executives) are open to doubt. For example, some of the psychological attributes (intelligence, initiative) cannot be observed but can only be inferred from the behaviour.
- iv) There have been many people with the traits specified for leaders, but they could not prove to be effective leaders.

Trait theory of leadership is not acceptable as it does not consider the whole leadership environment. Personal traits are only a part of the whole environment. Though a certain trait exists, it will not become active until a certain situation calls for it. Thus, there is no sure connection between traits and leadership acts. Leadership is always related to a particular situation. A person may prove successful in one situation due to some traits but may fail in another.