



Organizing and Staffing



Dr. Sam C. M. Hui

Department of Mechanical Engineering

The University of Hong Kong

E-mail: cmhui@hku.hk

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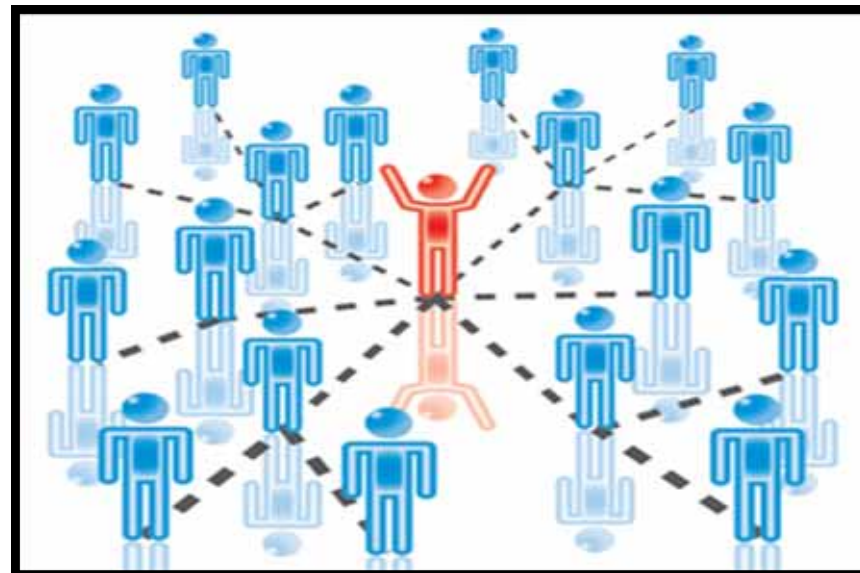


- Nature of Organizing
- Organization Structure
- Basis of Structuring
- Teams
- Staffing Technical Firms
- Staff Training & Development
- Delegation



Nature of Organizing

- Organizing
 - It is the process of establishing a structure for the organization so that helps the manpower of the organization to function systematically to fulfill the organizational goals effectively



Nature of Organizing



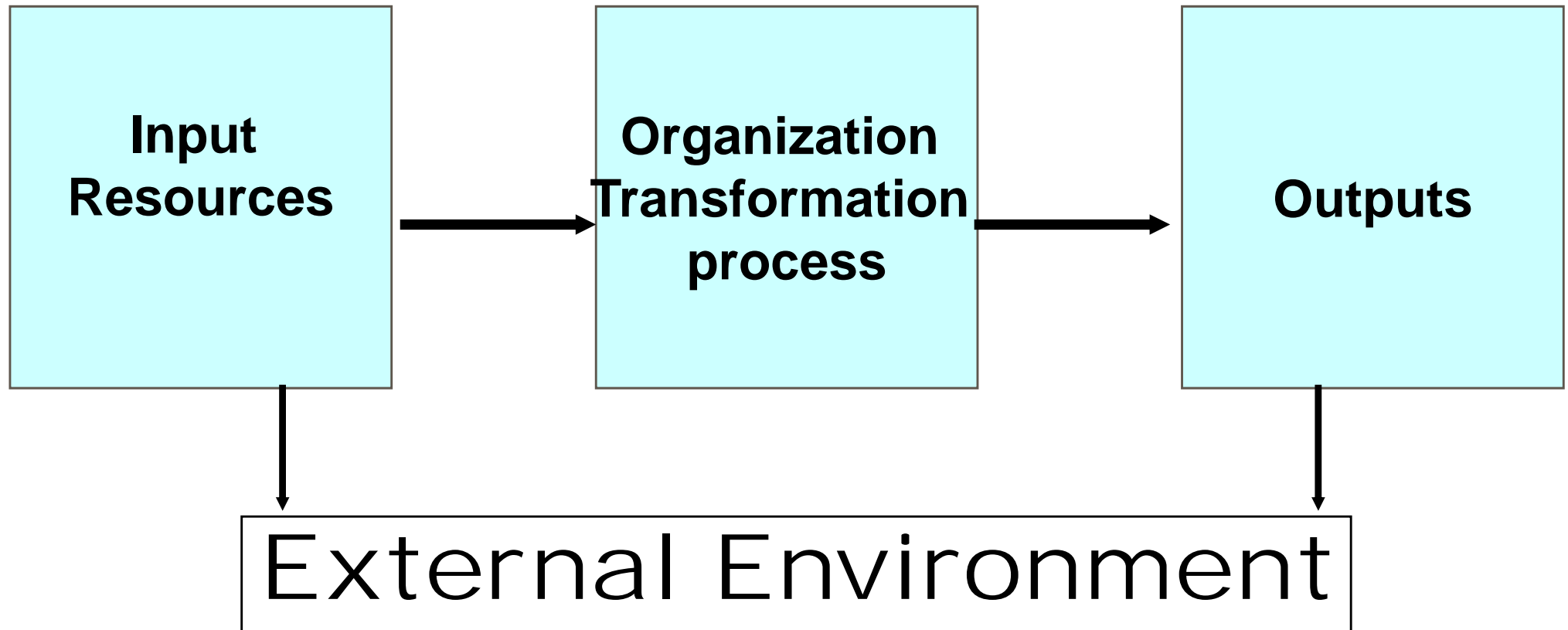
- Organizing
 - Arrange and relate the work, so that it can be done efficiently by people - specifically:
 - *Ensure* that important work is done
 - *Provide* continuity
 - *Form* basis for salary administration
 - *Aid* delegation
 - *Promote* growth and diversification
 - *Encourage* teamwork
 - *Stimulate* creativity

Nature of Organizing



- Organization
 - A group of people trying to achieve something
 - A cohesive body established for a specified purpose
 - A structured process in which people, act and interact, for the achievement of objectives
 - Divided into logical sections with links of responsibility within and external to the sections, the whole being coordinated to

Elements of an organizational system



Resources of an organization:

Land, Capital, Human, Repute, Information

Nature of Organizing



- Types of organizations
 - Profit & non-profit organizations
 - Government, semi-government and private origination
 - Private and public
 - Manufacturing and services organizations
 - Sales, import & export organizations
 - Finical organizations
 - Centralized & decentralized



Nature of Organizing



- Legal forms of organization
 - Sole proprietorship
 - Few legal restrictions
 - Owner forced to make all decisions
 - Profits taxed once
 - Partnership
 - Two or more partners
 - Easy to organize
 - Partners do individual tax
 - Unlimited liability for partners debts

Nature of Organizing



- Legal forms of organization (cont'd)
 - Limited Liability Company (LLC)
 - Owners have limited personal liability
 - Only taxed once
 - Corporations
 - Owned by shareholders
 - No liability beyond stock
 - Taxed twice
 - Subject to many state and federal controls
 - Cooperatives
 - Owned by users and customers
 - Usually tax free



Nature of Organizing

- Organizing tasks
 - Splitting of work into small tasks
 - Assign work to groups/ individuals
 - Task coordination's
 - Avoiding duplications
 - Jobs & responsibilities should be clearly defined
 - Carry out action plans

Nature of Organizing



- Organizing the organization
 - Organizing resources to achieve the goals in an optimum fashion. Examples are organizing new departments, human resources, office and file systems, re-organizing businesses, etc.
 - Leading, including to set direction for the organization, groups and individuals and also influence people to follow that direction. Examples are establishing strategic direction (vision, values, mission and / or goals) and championing methods of organizational performance management to pursue that direction

Nature of Organizing

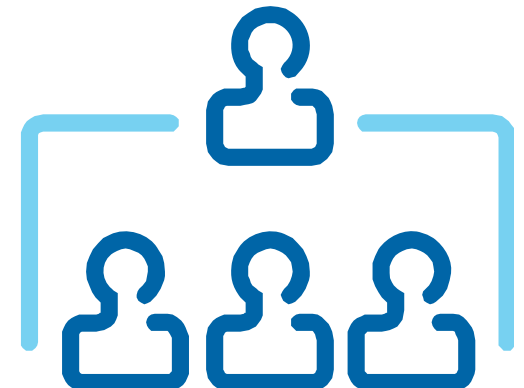


- Organizing outcomes
 - People are employed on permanents/ temporary basis
 - Teams and team leaders are built
 - Training is provided
 - Ensure to focus on common goals
 - Understand the customer and communicate to the team
 - Delegate powers and responsibilities

Organization Structure



- The organizational structure refers to the type of framework a company uses to distinguish power and authority, roles and responsibilities, and the manner in which information flows through the organization
- There are two basic forms:
 - Mechanistic structure
 - Organic structure



Organization Structure



- Mechanistic structure
 - Also known as bureaucratic structure
 - It is based on a formal, centralized network
 - Best suited for companies that operate in a stable and certain environment
 - Characteristics of mechanistic structures include:
 - Horizontal communication
 - Well-defined hierarchy
 - Top-level managers make the majority of decisions
 - Individualized job specialization
 - Low integration between functional areas or departments

Organization Structure



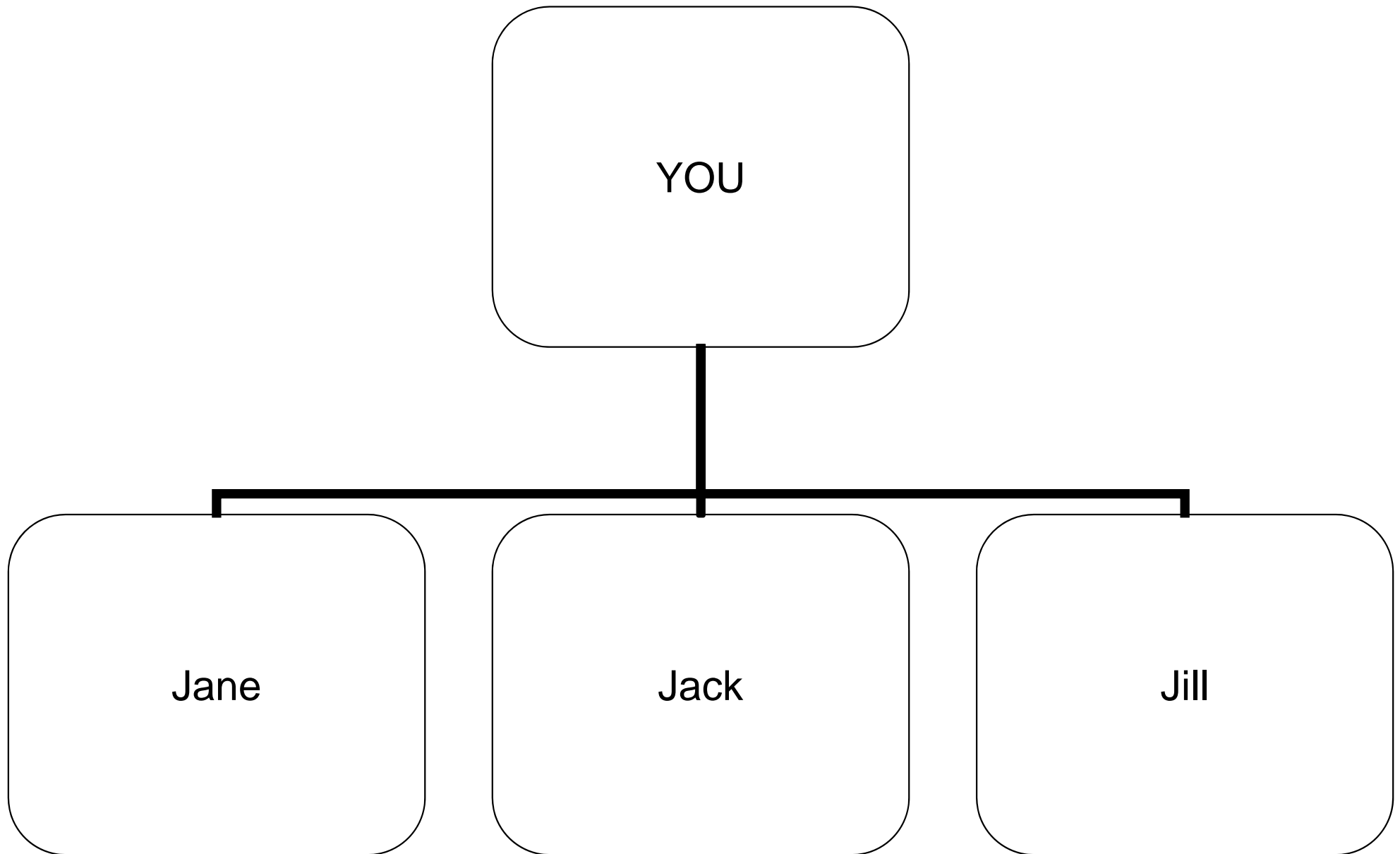
- Organic structure
 - Used in organizations that face unstable and dynamic environments and need to quickly adapt to change
 - Characteristics of organic structures include:
 - Lateral communication
 - Highly integrated and dependent functional areas
 - Do not rely on standardized processes and procedures
 - Multiple tasks are differentiated to one person
 - Decision-making is decentralized to allow for complex decision-making processes
 - Power and authority are awarded to lower-leveled employees

Organization Structure

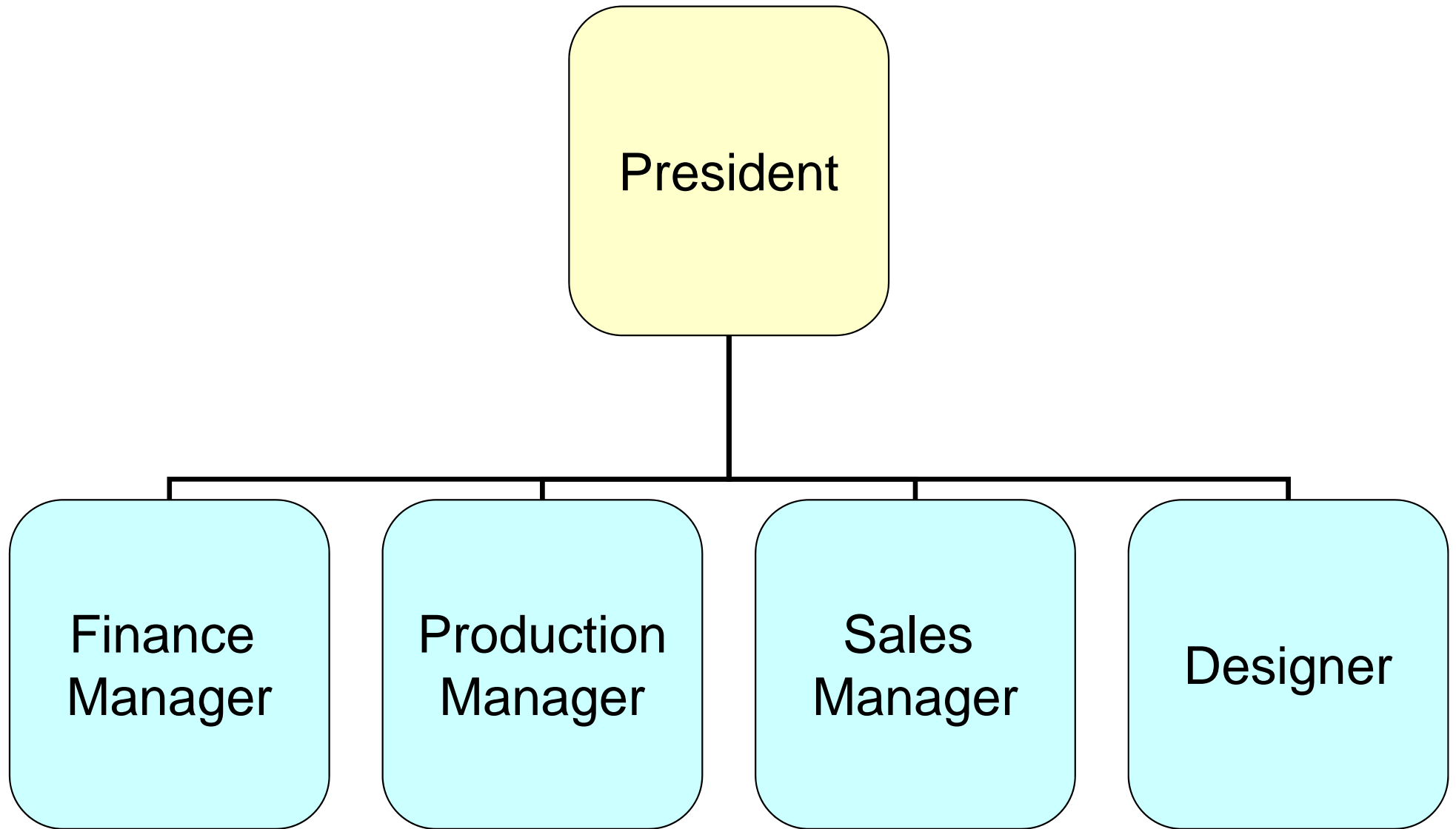


- Develop organizational structures
 - Identify and group work so that it can be done efficiently by people
 - Choices: (patterns of departmentation)
 - (1) Functional
 - (2) Discipline
 - (3) Product/Regional
 - (4) Matrix
 - (5) Team
 - (6) Network

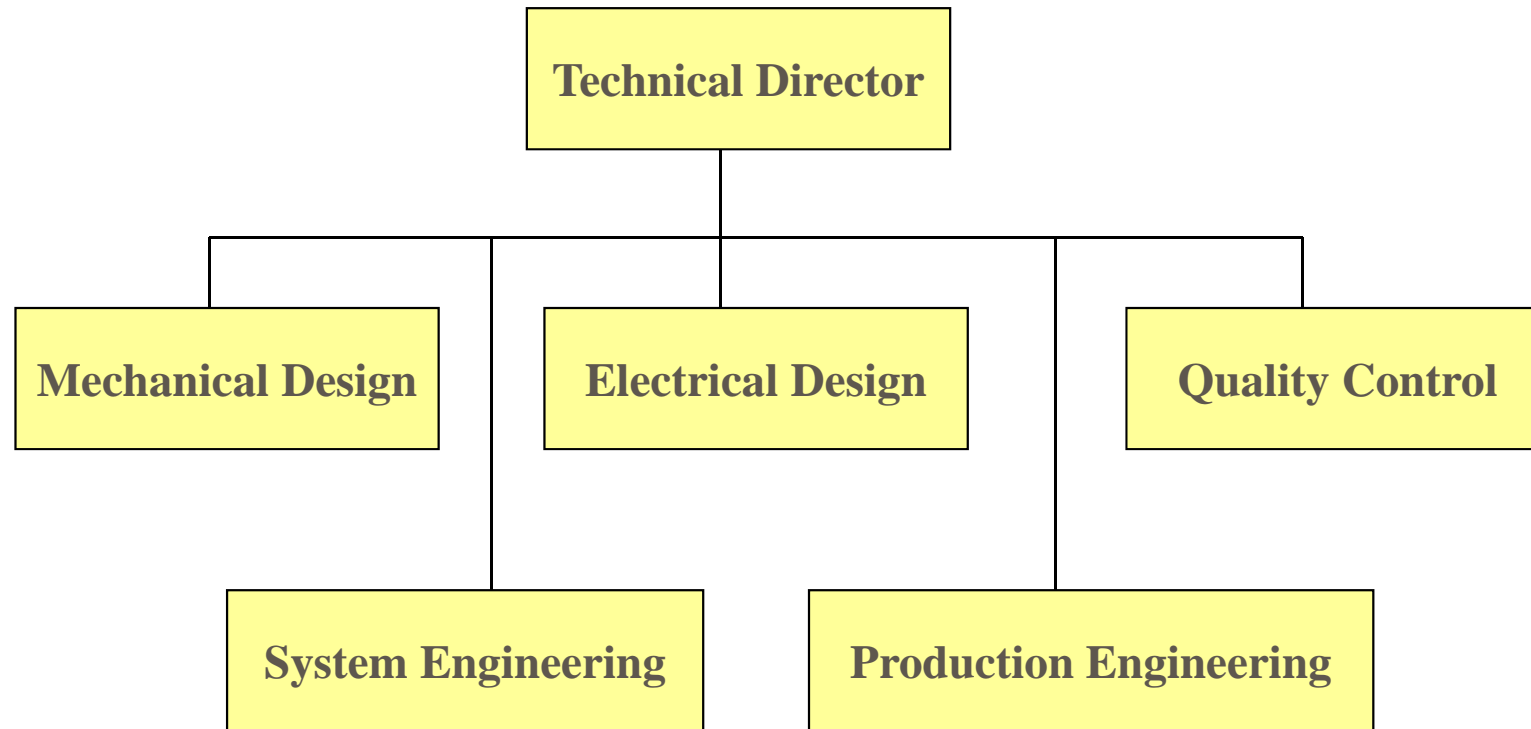
Methods of departmentation: Basic



Methods of departmentation: Functional organization



Functional Organization



Pros:

- Permits hierarchy of skills
- Facilitates specialization
- Simplifies coordination
- Permits use of current technologies and equipment

Cons:

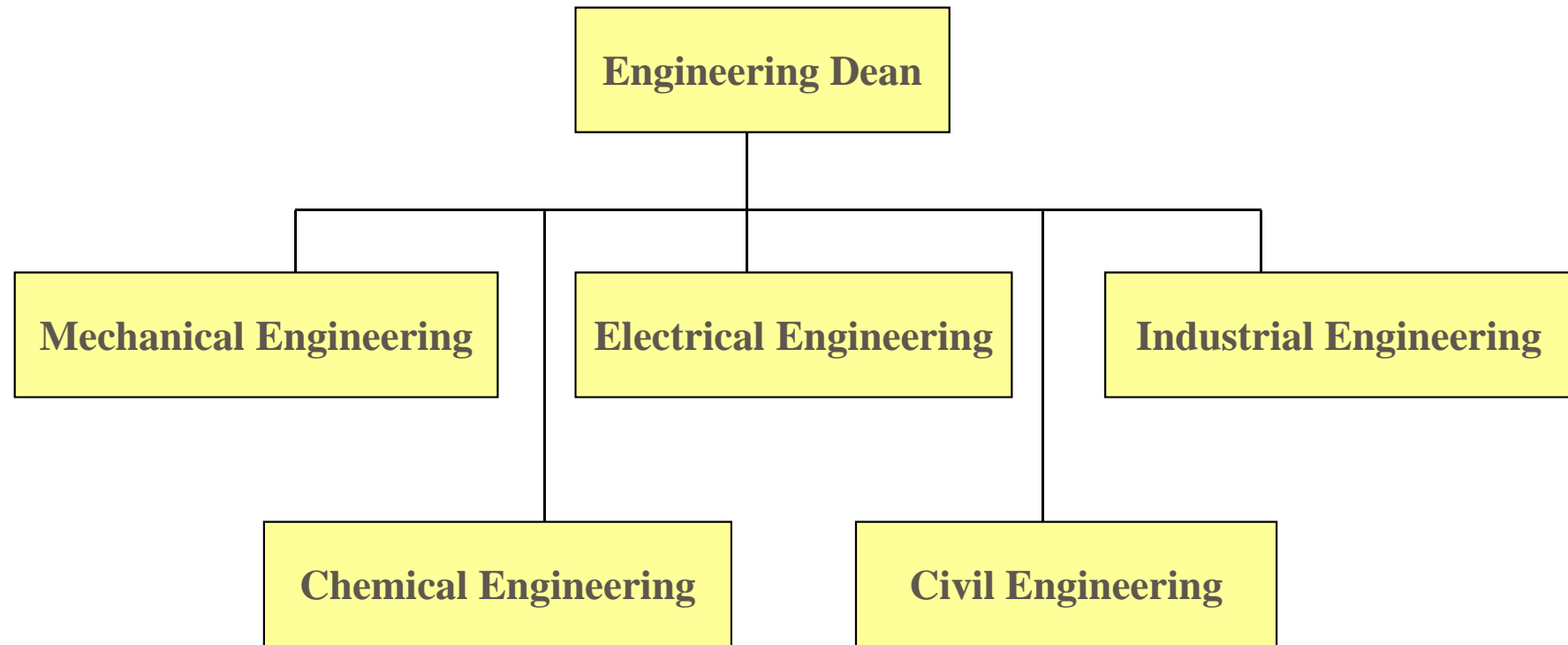
- Encourages excessive centralization
- Delays decision making
- Compounds communication line loss
- Restricts development of managerial skills
- Limits personal growth

Organization Structure



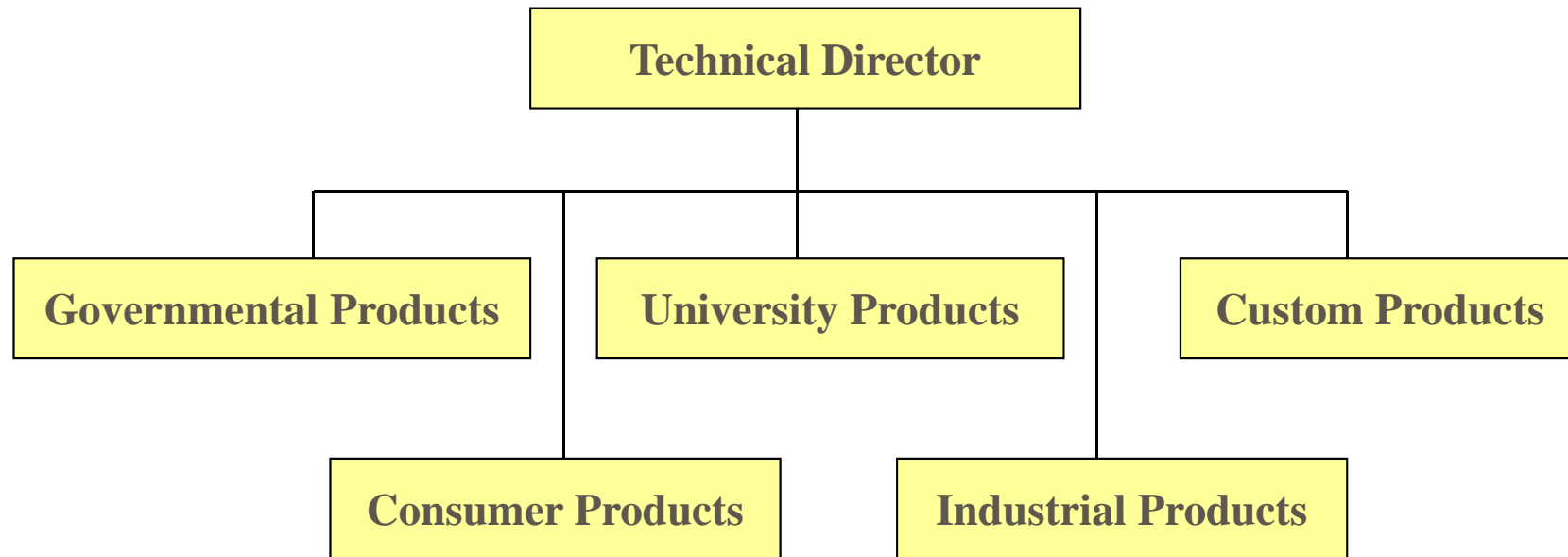
- Functional organizations: When to use
 - Organizations with high relative stability of work flow and limited product diversity - certain manufacturing operations, process industries
 - Startup companies
 - Organizations with narrow product ranges, simple marketing pattern and few production sites
- Work specialization: division of labour

Discipline-Based Organization

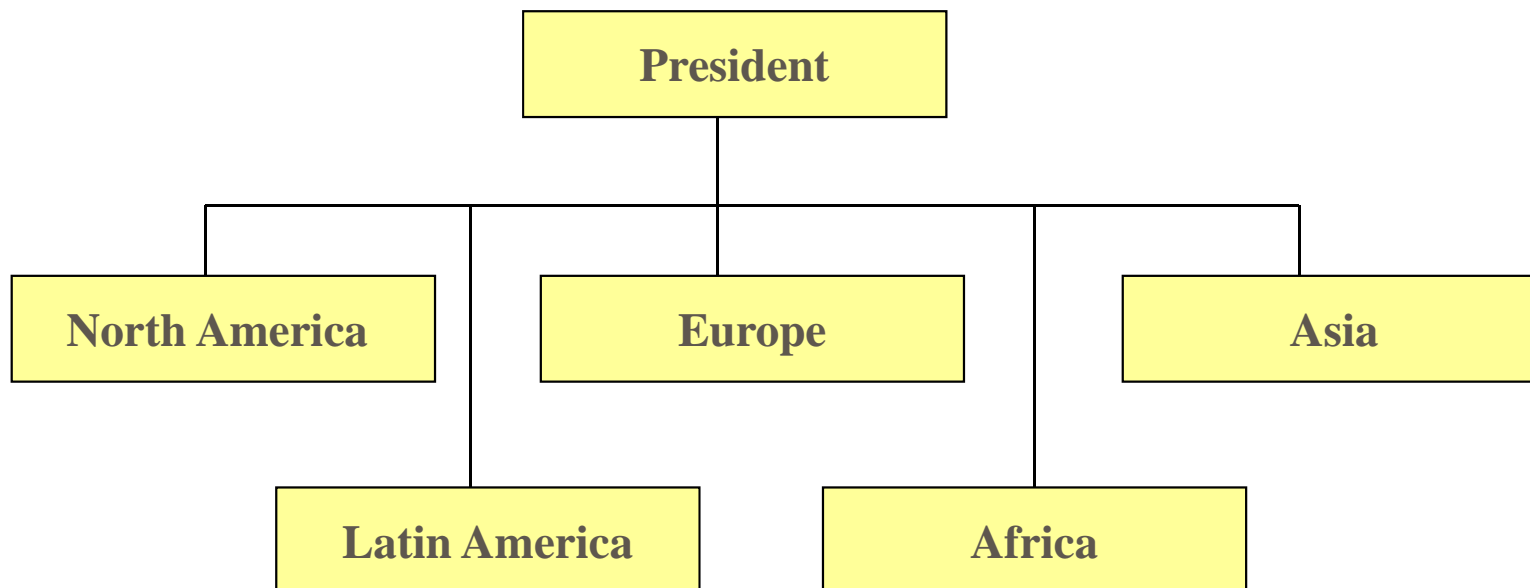


- Favored by universities, governmental laboratories and other R&D organizations
- Promote innovative pursuits in individual disciplines, allowing employees to drill down to deeper knowledge levels without requiring much coordination with others

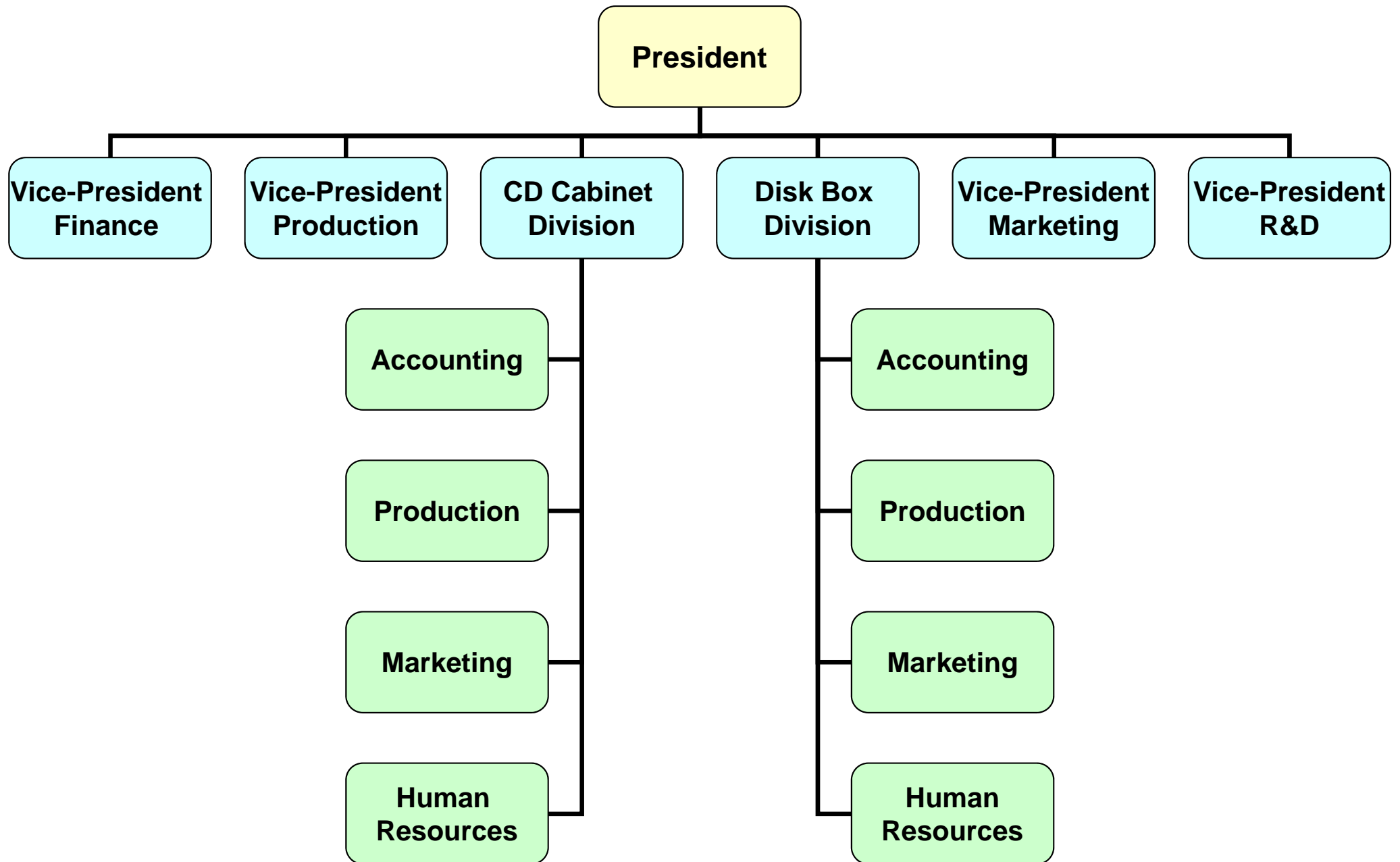
Product Organization



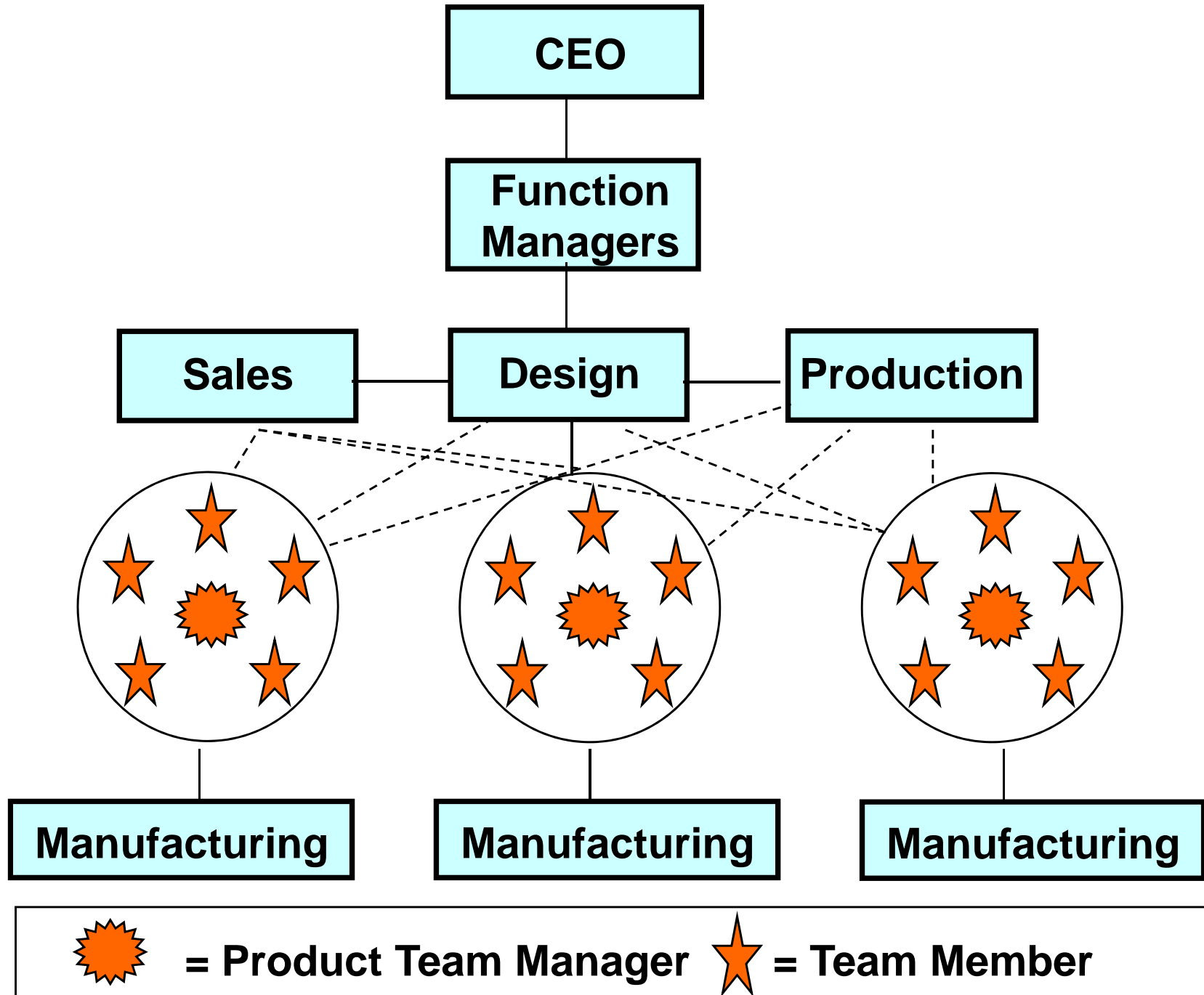
Regional Organization



Methods of departmentation: Product organization



Product team structure



Product/Regional Organization (Pros and Cons)

Pros:

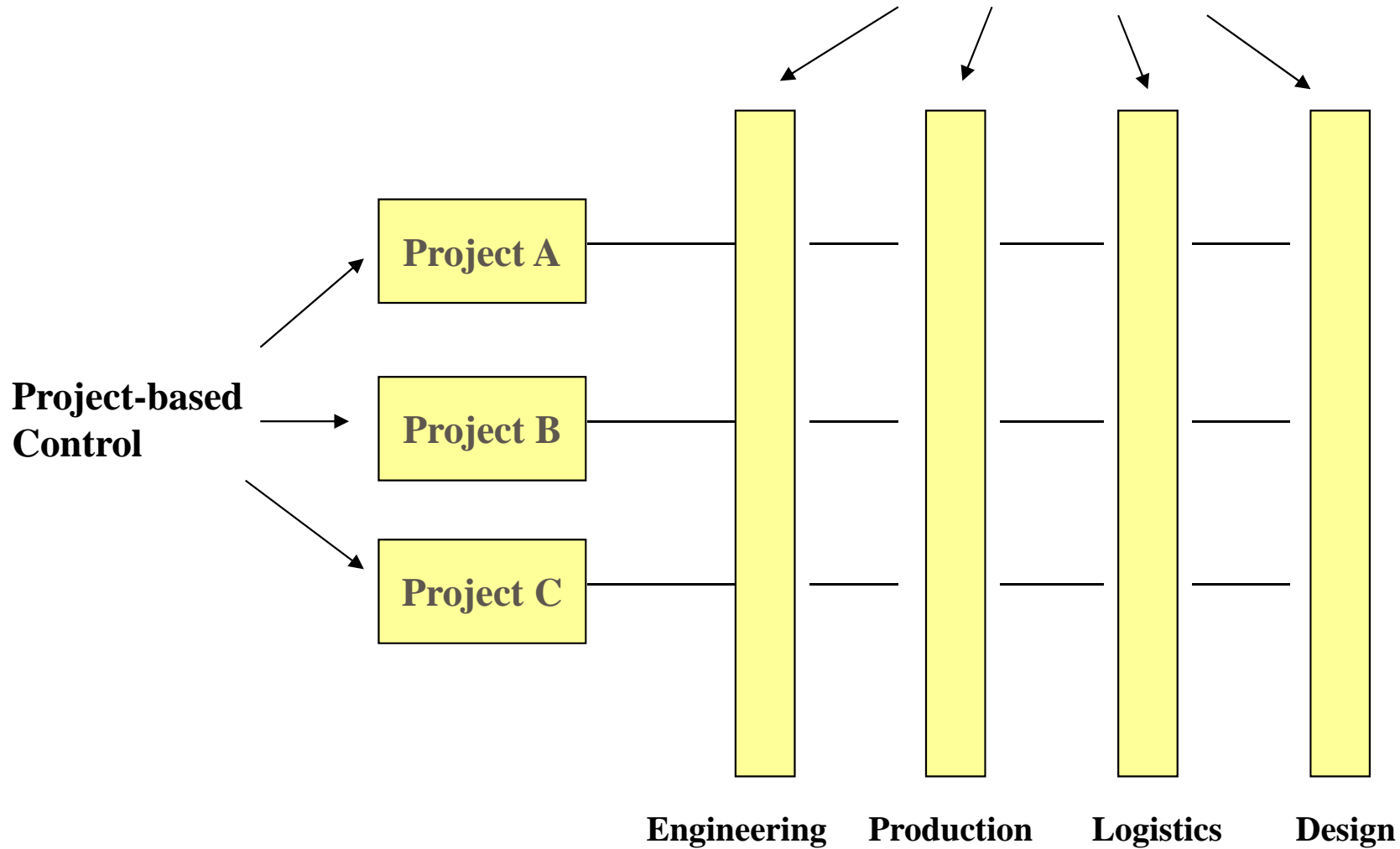
- Focuses on end products or geographical regions
- Facilitates coordination
- Encourages management development
- Provides for decentralization
- Promotes growth

Cons:

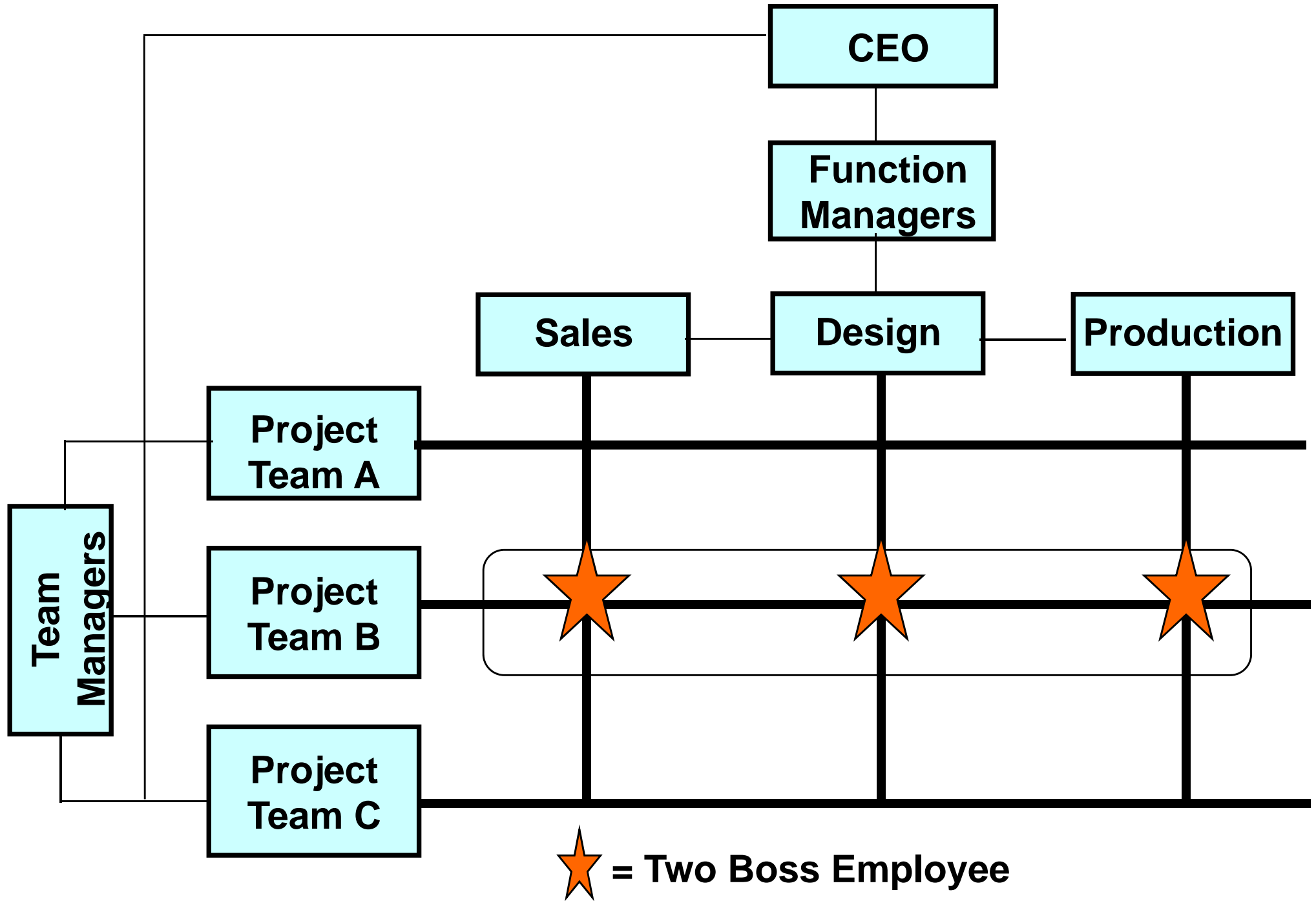
- High costs due to layers, autonomy or duplicated facilities
- Requires management talents
- Technical obsolescence of specialists
- Changes take time to effect

Matrix Organization

Functional Control



Matrix structure



Matrix Organization (Pros and Cons)

Pros:

- Project manager focus on schedule and cost, functional managers on quality/expertise
- Work load balance
- Excellent for individuals (to achieve exposure and interactions)

Cons:

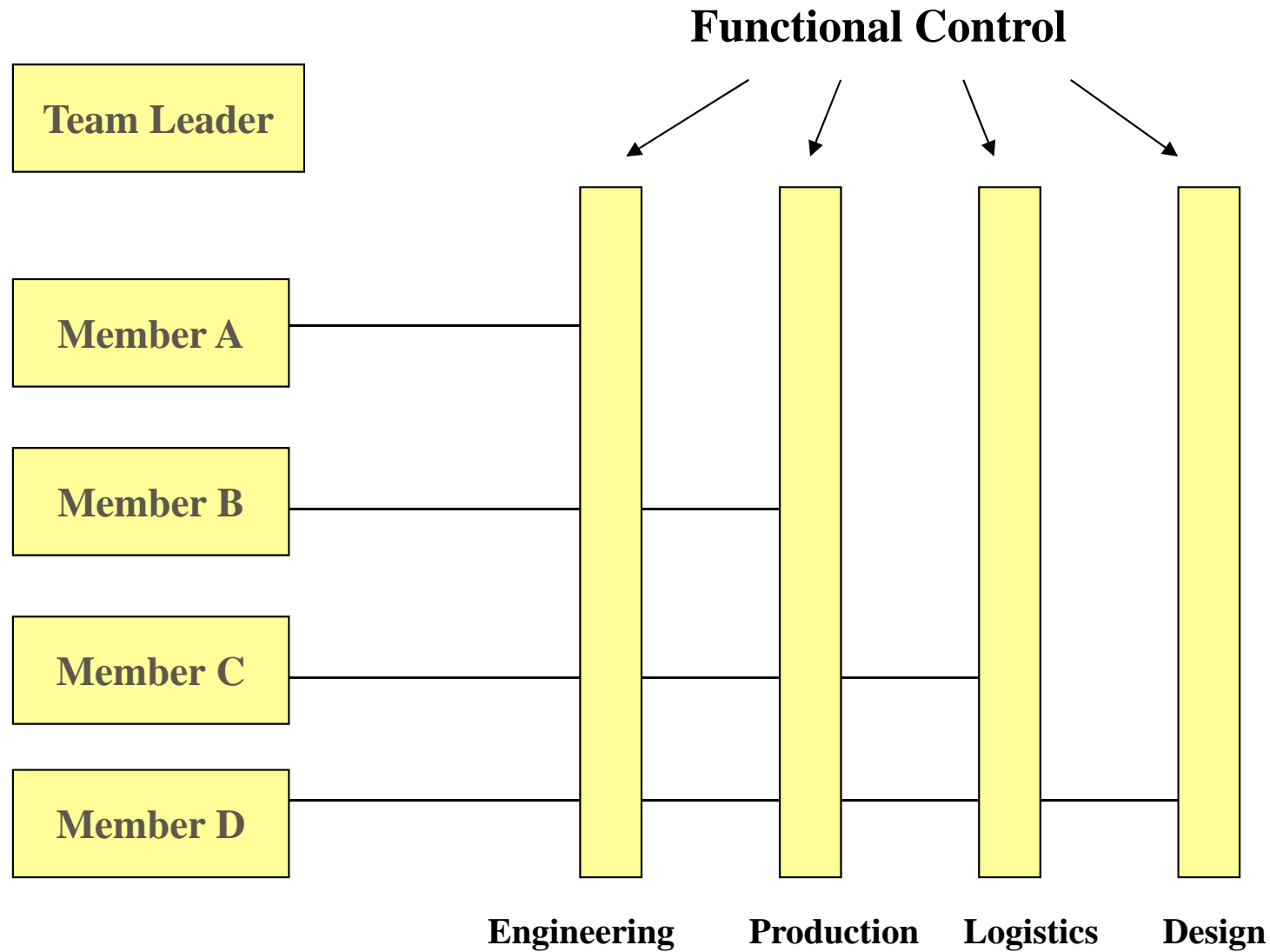
- Dual reporting
- Severe conflicts among managers
- Delicate balance of power (people versus money/time)
- Communications problems

Organization Structure



- Matrix organization: Bases for conflicts
 - Project Managers:
 - Money under control, mandate to authorize work with top management support
 - Rights to buy services elsewhere
 - Functional Manager:
 - Manpower, skills knowledge, facilities
 - Own funds to support people

Team Organization

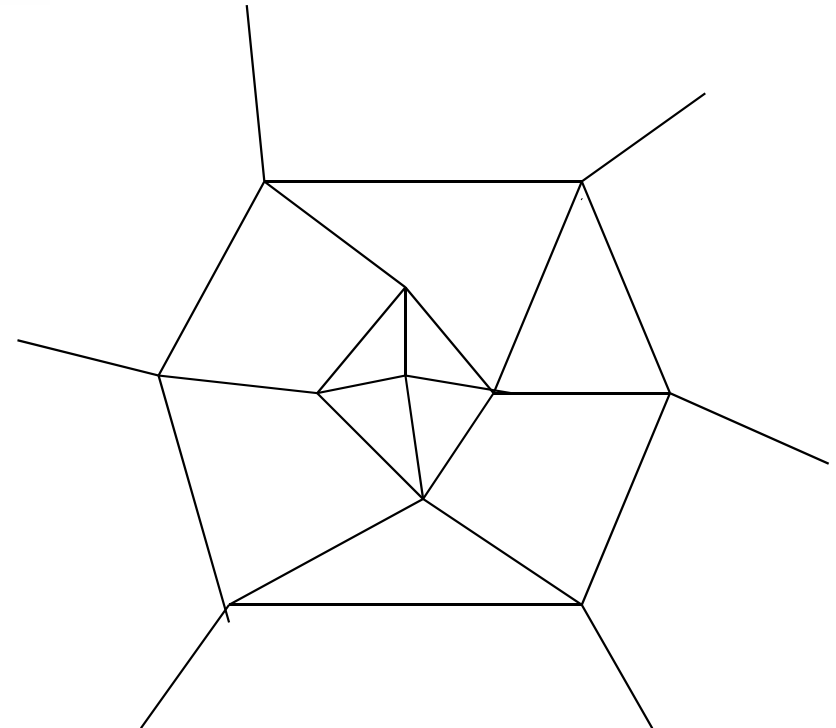
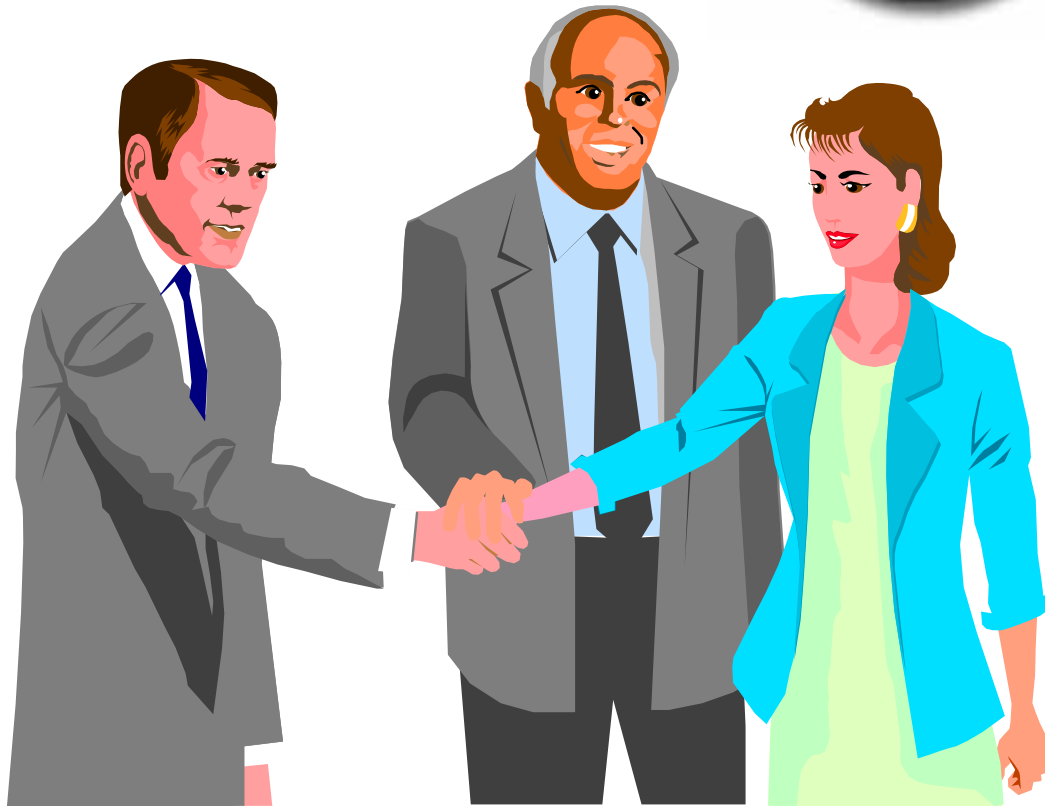
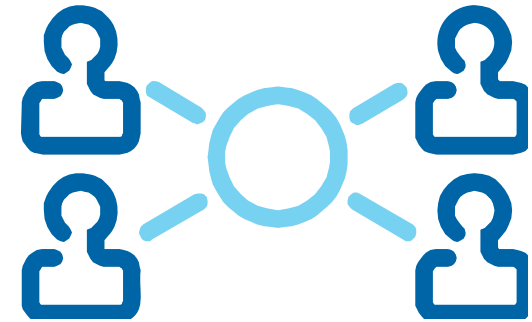


Organization Structure



- Team organization
 - Team members “on loan” from functional organizations to eliminate organizational conflicts
 - Team Leader in full control
 - Short term high-priority tasks/projects
 - Examples: Product team, special task force
 - Purposes:
 - (1) Create recommendation
 - (2) Make or do things, and
 - (3) Run things

Network Organization



Organization Structure

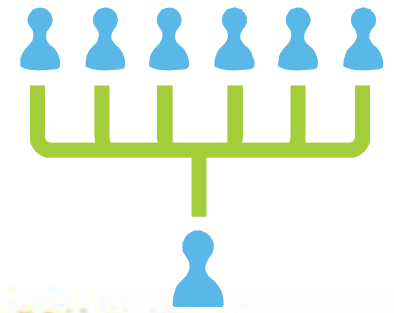


- Network organization
 - Global business alliances/partnerships to manufacture, market, deliver and service products (supply chains)
 - Change alliance members from time to time
 - Diversified alliance members (e.g., company allegiance, culture, value system, business practices, geography, attitude, motivation, information sharing and collaboration, etc.)

Organization Structure

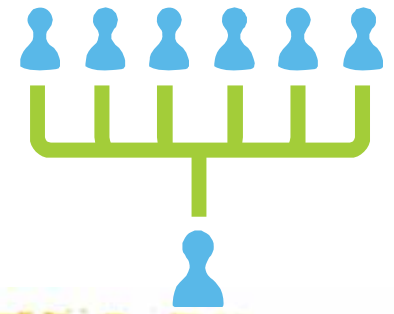


- Question #1
 - Which type of organizational structure is best suited for developing a new product which requires a high level of specialization in several functions and the time to market represents a critical factor?
- Question #2
 - A materials manager suspects that the quality of work being done within his department was steadily deteriorating. He wanted to introduce a program of change to improve quality. What steps should he take?



Basis of Structuring

- Definitions
 - Authority - Power to command, act or make decisions (legal, position-based)
 - Responsibility - Duty to perform work efficiently and in professional manner
 - Accountability - Upwards directed obligation for securing the desired results
 - Span of control - Number of people supervised by a manager (e.g., 7 to 20)
 - Specialization - Increased degree of skills concentration in narrow technical domains

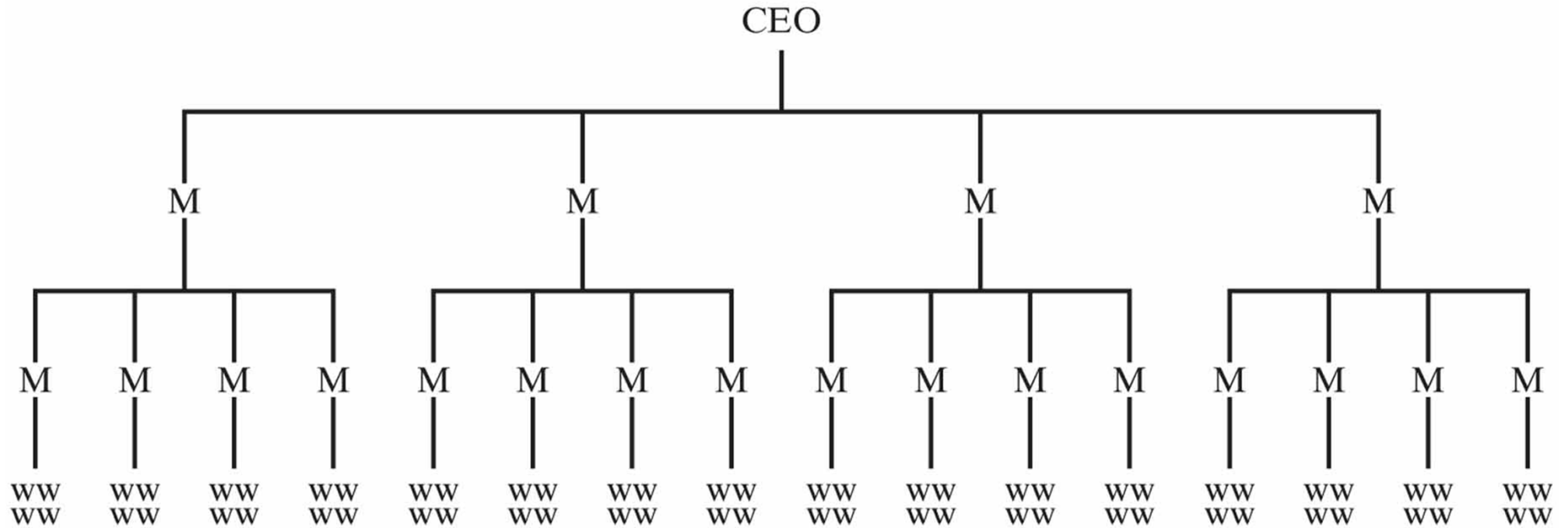


Basis of Structuring

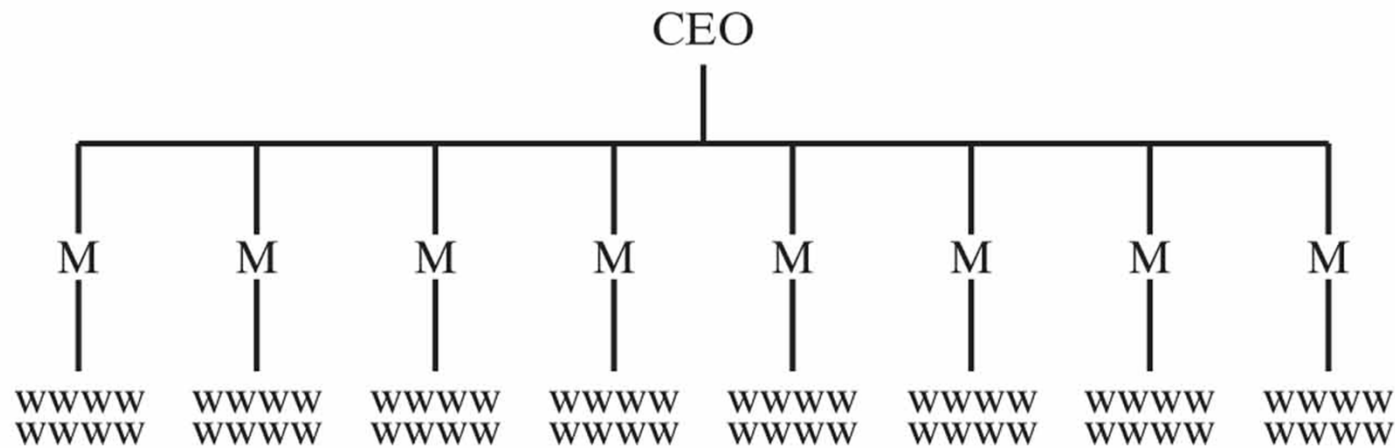
- Major considerations
 - Span of control
 - Span of managerial responsibility
 - Objectives
 - Unity of purpose
 - Communications
 - Flexibility
 - Operational efficiency
 - Planning
 - Coordination and control



Control spans of (a) four and (b) eight compared. M, manager; w, worker

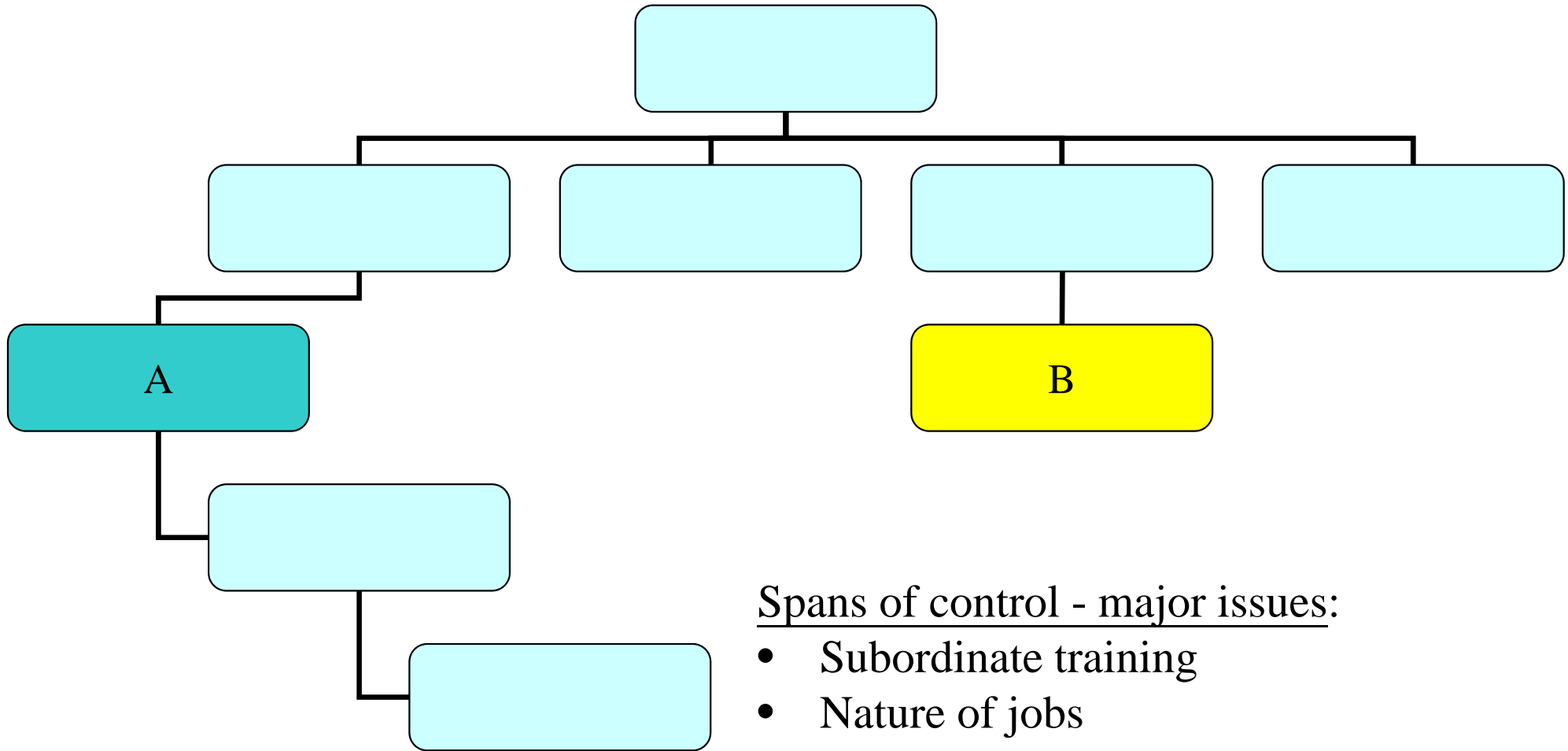


(a)



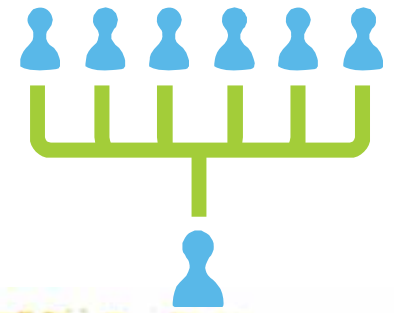
(b)

Spans of control



Spans of control - major issues:

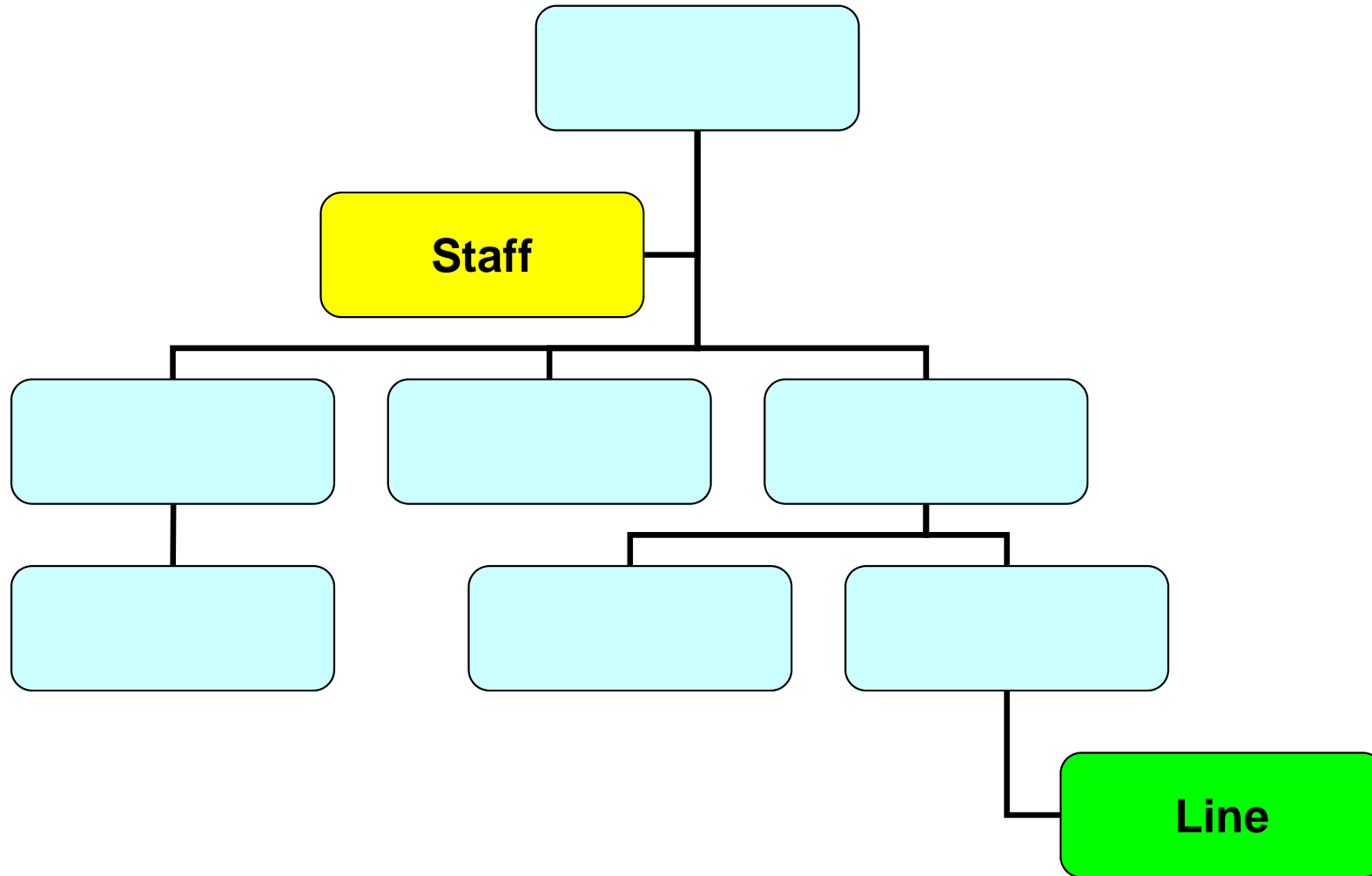
- Subordinate training
- Nature of jobs
- Rate of change of activities and personnel
- Clarity of delegation
- Staff assistance

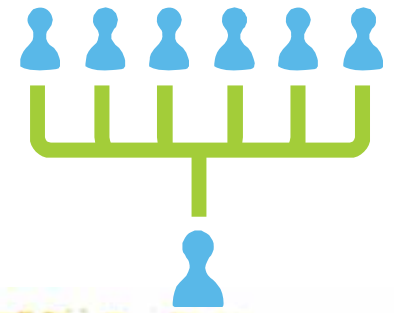


Basis of Structuring

- Line and staff relationships
 - Line: Superior/Subordinate relationships typically represented vertically in organizational charts
 - Staff: Advisory in nature, degree of influence may vary
 - Provide advice on request
 - Recommendations when appropriate
 - Must be consulted by line but have no direct authority
 - Concurring authority - veto authority over line
 - Service: Centralized support functions
 - Custodial
 - Security
 - Medical

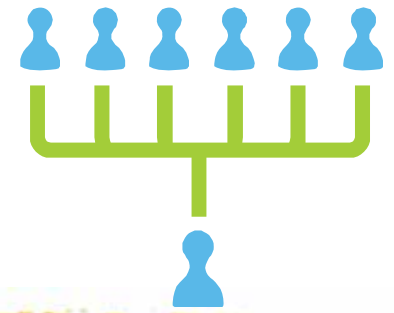
Line and Staff Relationships





Basis of Structuring

- Line and staff relationships (cont'd)
 - Functional: Specialized authority
 - As binding as line authority
 - Usually procedural
 - Budget formats
 - Computer systems
 - Cafeteria

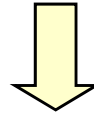


Basis of Structuring

- Organizational – structure issues
 - The roles are clearly and flexibly defined
 - Effective collaboration between units
 - Effective inter-unit and interpersonal linkages/cooperation
 - Clear lines of responsibility, authority and accountability
 - Decision making is sufficiently decentralized
 - Appropriate change management mechanism
- Factors to consider:
 - 1) Organization size, 2) Organization life cycle, 3) Strategy, 4) Environment and 5) Technology

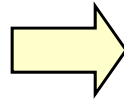
Factors affecting organizational design

Environment

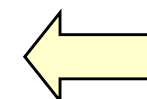


**Determine design
Or organizational
structure**

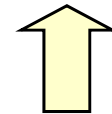
Strategy



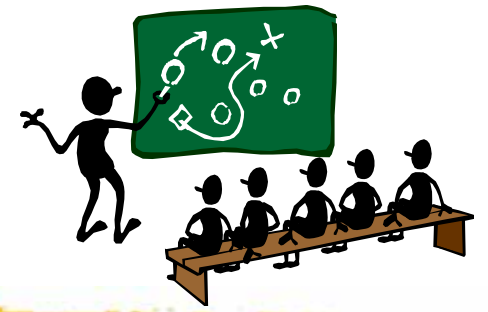
Technology



**Human
resources**



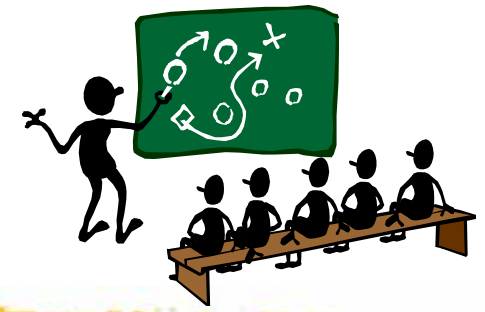
Teams



- Small group of people
- Serve interests of its members
- Exchange ideas freely and clearly
- Have common goals
- Committed to achieving goals
- Each team member treated equally

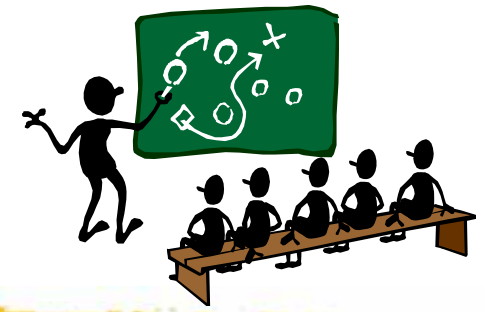


Teams



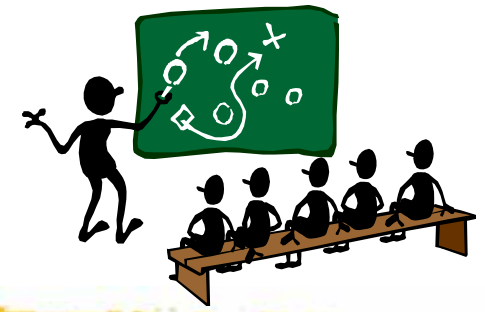
- Traditional product development sequence
 - **1. Marketing** - conducts research to identify customers' needs and defines product features (functionality, reliability, ease of repair, resale value, warranty, price, etc.)
 - **2. Design Engineering** - develops specifications, performs functional design, selects material, obtains vendor/supplier inputs, and conducts engineering analysis to create product features
 - **3. Production Engineering** - reviews and simplifies the product design for manufactureability and reliability considerations

Teams



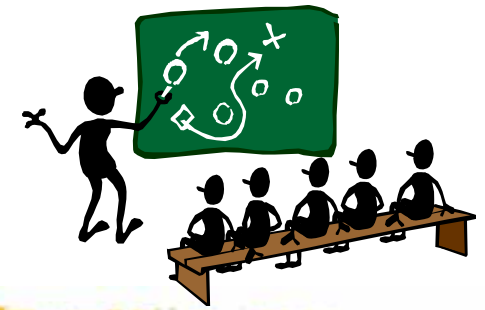
- Traditional product development sequence (cont'd)
 - **4. Service Organization** - changes the design some more for serviceability
 - **5. Production** - finally develops manufacturing techniques and makes the product

Teams

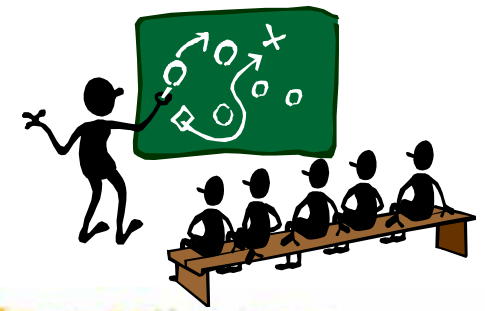


- Cross-functional product development team
 - Representatives of all functional groups are participating, in addition to procurement, financial, vendors/suppliers and customers
 - Issues related to product design/development are considered early on and concurrently
 - Create an optimum product in shortest time, at lowest cost, while satisfying constraints and meeting customers' needs

Teams



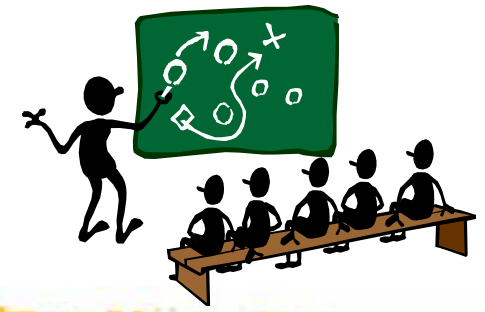
- Benefits of cross-functional teams
 - Reduction of product development time: 30% to 70%
 - Reduction of number of engineering changes: 65% to 90%
 - Reduction of time to market: 20% to 90%
 - Improvement in product quality: 200% to 600%



Teams

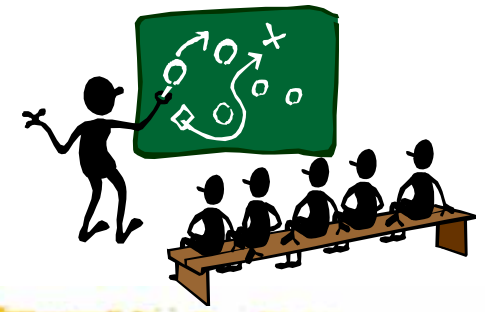
- Successful examples of concurrent teams
 - Mercury Computers, Lowell, MASS - Reduced time to market from 125 days to 90 days for its add-on boards of VNE bus
 - Hewlett Packard, Palo Alto, CA - Reduced the time to market by 2/3 for its 54600 Oscilloscope
 - Toyota Motors, Tokyo, Japan - Reduced product cost by 61%
 - Medical Electronic Instruments – Reduced the time to market from eight months to one

Teams



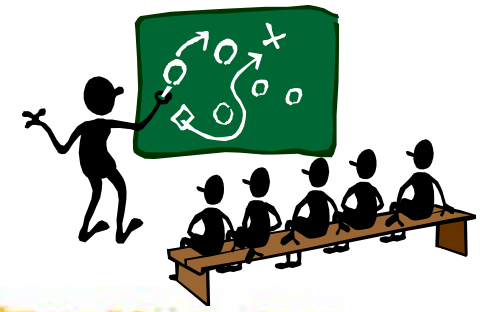
- Team discipline: For achieving “blow-the-roof-off” performance, teams must have discipline:
 - (1) Common purpose
 - (2) Specific goals of performance
 - (3) Complementary skills
 - (4) Commitment to how the work gets done (each pulling the same weight)
 - (5) Mutual accountability - commitment and mutual trust, being accountable to each other - “being in the boat together”

Teams



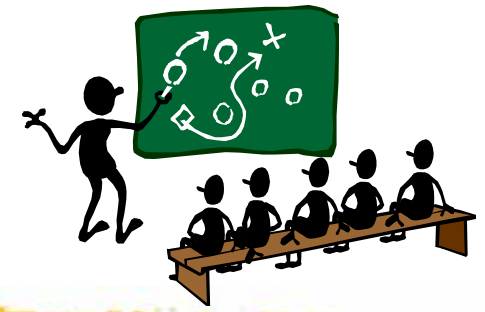
- Team learning
 - Team must learn quickly all needed skills (process of working together, use of design tools, communications)
- Factors affecting team learning speed:
 - (1) Composition (a mix of expertise)
 - (2) Culture of risk taking allowing experimentation
 - (3) People-oriented leadership style

Teams



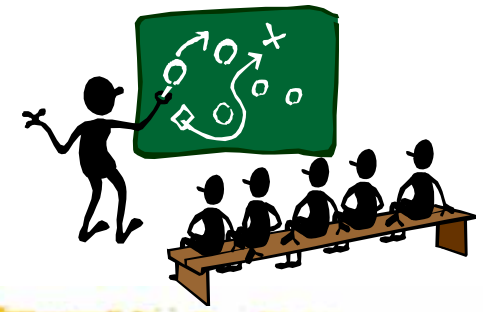
- Team effectiveness
 - Team Goals are clear, of high impact, measurable and with top management support
 - Members are results-oriented, efficient, having complementary skills and experience, high energy level, positive attitude to collaborate, each supported by staff with specific expertise
 - Work Environment is excellent (easy to use communications tools, opportunity for self-expression, pleasant work atmosphere, etc.)

Teams



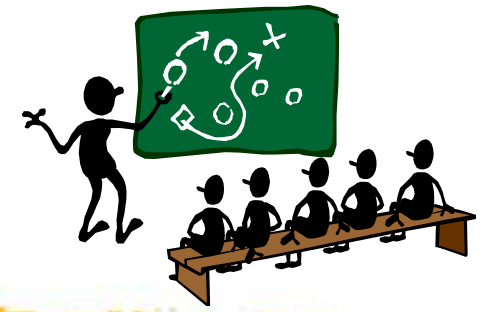
- Roles of team members
 - **1. Team Leader** - Keeps team moving forward
 - **2. Conceptual Thinker** - Sources of original ideas, with imagination and vision
 - **3. Harmonizers** - Assuring team harmony, foster collaboration, resolving conflicts
 - **4. Technicians** - Specialists with expertise
 - **5. Planners/implementers** - Bring methods to tasks of team, autocrats with inflexibility
 - **6. Facilitators** - Offering help and support, being adaptable

Teams



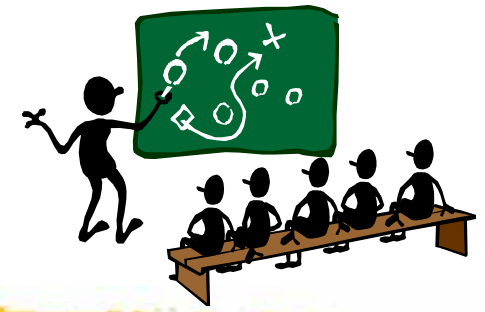
- Roles of team members (cont'd)
 - **7. Critical Observers** - Making sure the team is on target
 - **8. Radicals** - Not accepting conventional thinking and solutions, offering new approaches to problem-solving
 - **9. Power Seekers** - Wanting to be right all the time, shaping the teams' view
 - **10. Diplomats** - Coordinating inter-team relationship, getting information for the team

Teams



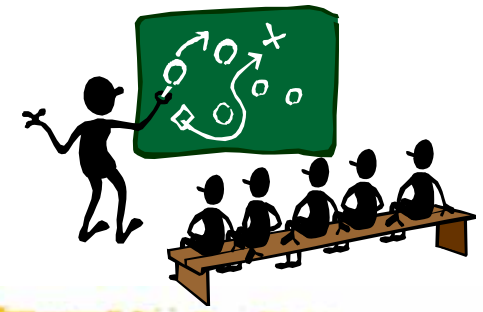
- Check team player [mentality](#)
 - Do you compliment your co-workers when you observe them doing a good job?
 - Are you enthusiastic about helping your teammates in any way you can?
 - Do you always do your job thoroughly and completely?
 - Do you take advantage of every opportunity to support the team effort?
 - Do you have a professional respect for everyone on your team?
 - Can you follow through and support policies and rules with which you personally disagree?
 - Do you attempt to avoid undermining those around you for personal gains?

Teams



- Check team player mentality (cont'd)
 - Are you enthusiastic about your company and the direction in which it is headed?
 - Do you show appreciation for the efforts of others and acknowledge their contributions to the big picture?
 - Do you seek new relationships and acquaintances through the company?
 - Do you take responsibility for your mistakes and easily admit when you are wrong?
 - Does your attitude have a positive effect on those around you?
 - Are you personally dedicated to making the company the best in the industry?

Teams



- Team stages
 - Formation Stage - Members get together to have roles and responsibilities defined
 - Gelling Stage - Members of like minds will form subgroups and stay close together
 - Unison Stage - All team members are getting highly organized with a common goal



Staffing Technical Firms



- Identify the skill base
- Estimate the number of personnel
- Plan recruiting policies
- Select the best applicants
- Orient and train applicants
- Evaluate performance
- Provide compensation



Staffing Technical Firms



- New hires
 - Establish the need for new hires
 - Determine sources for new hires
 - New college graduates
 - Experienced professionals
 - Technician support
 - Other sources



Staffing Technical Firms



- Computer technology's impact on the work force
 - Factory workers will require a higher level of skills
 - Visualization
 - Conceptual thinking
 - Knowledge of production process
 - Statistical inference
 - Oral and visual communication
 - Attentiveness
 - Individual responsibility

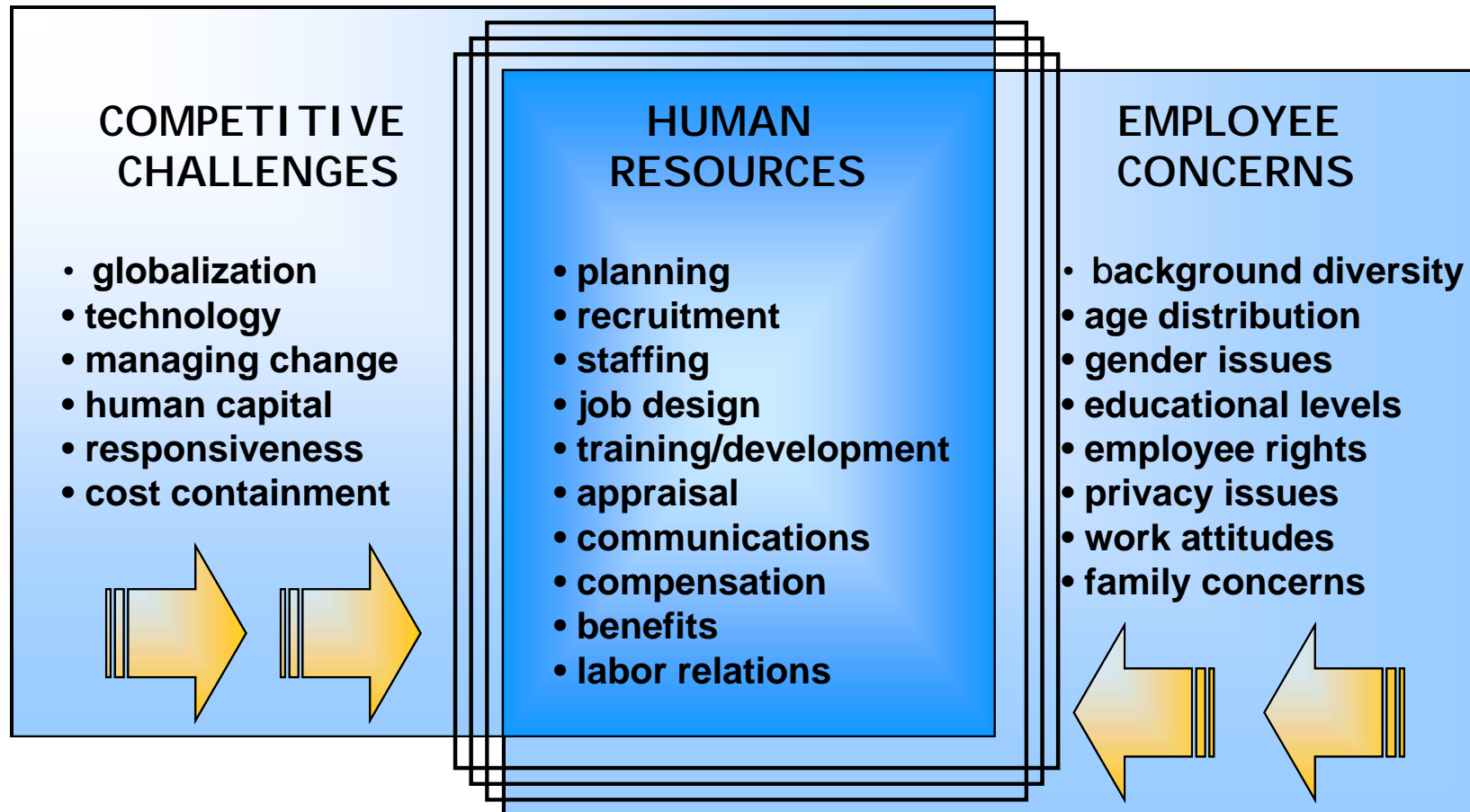




Staffing Technical Firms

- Human resource (HR) planning
 - Selection: Usually involves several steps in a filtering process
 - Applications/Resumes reviewed
 - Interviews accomplished
 - References checked
 - Candidates passing initial screens formally interviewed
 - Job application process
 - Employee viewpoint
- Human resource management (HRM)

Overall framework for human resources management (HRM)



Human Resources Planning Model



CONSIDERATIONS

- Product/Service
- Economics
- Technology
- Financial Resources
- Absenteeism/
Turnover
- Growth
- Management Philosophy

TECHNIQUES

- Trend Analysis
- Managerial Estimate
- Delphi Technique

INTERNAL

- Staffing Tables
- Markov Analysis
- Skills Inventories
- Management Inventories
- Replacement Charts
- Succession Planning

EXTERNAL

- Demographic Changes
- Education of Workforce
- Labor Mobility
- Governmental Policies
- Unemployment Rate

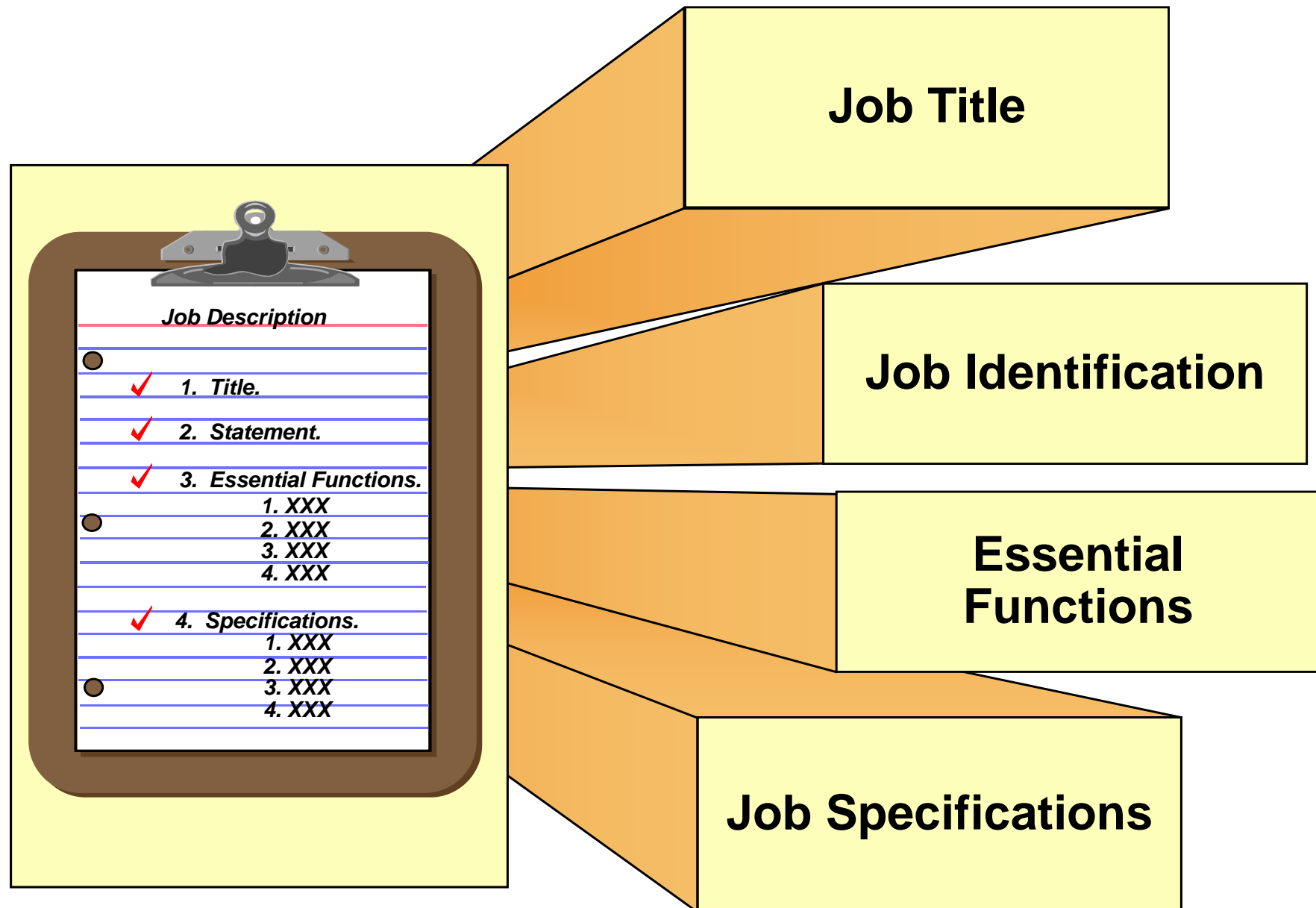
RECRUITMENT

- Full-Time
- Part-Time
- Recalls

REDUCTIONS

- Terminations
- Layoffs
- Demotions
- Retirement

Job Descriptions



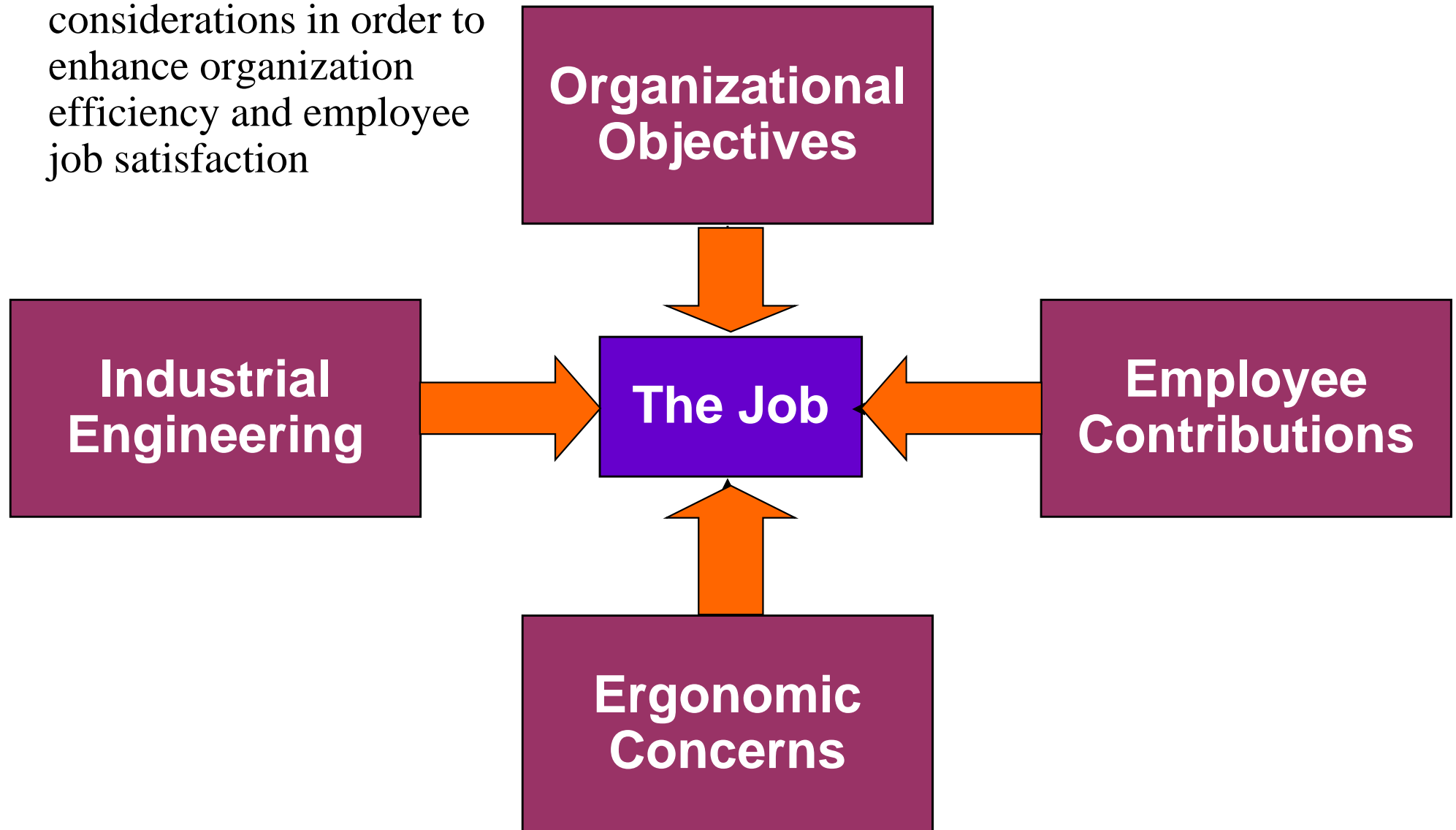


Staffing Technical Firms

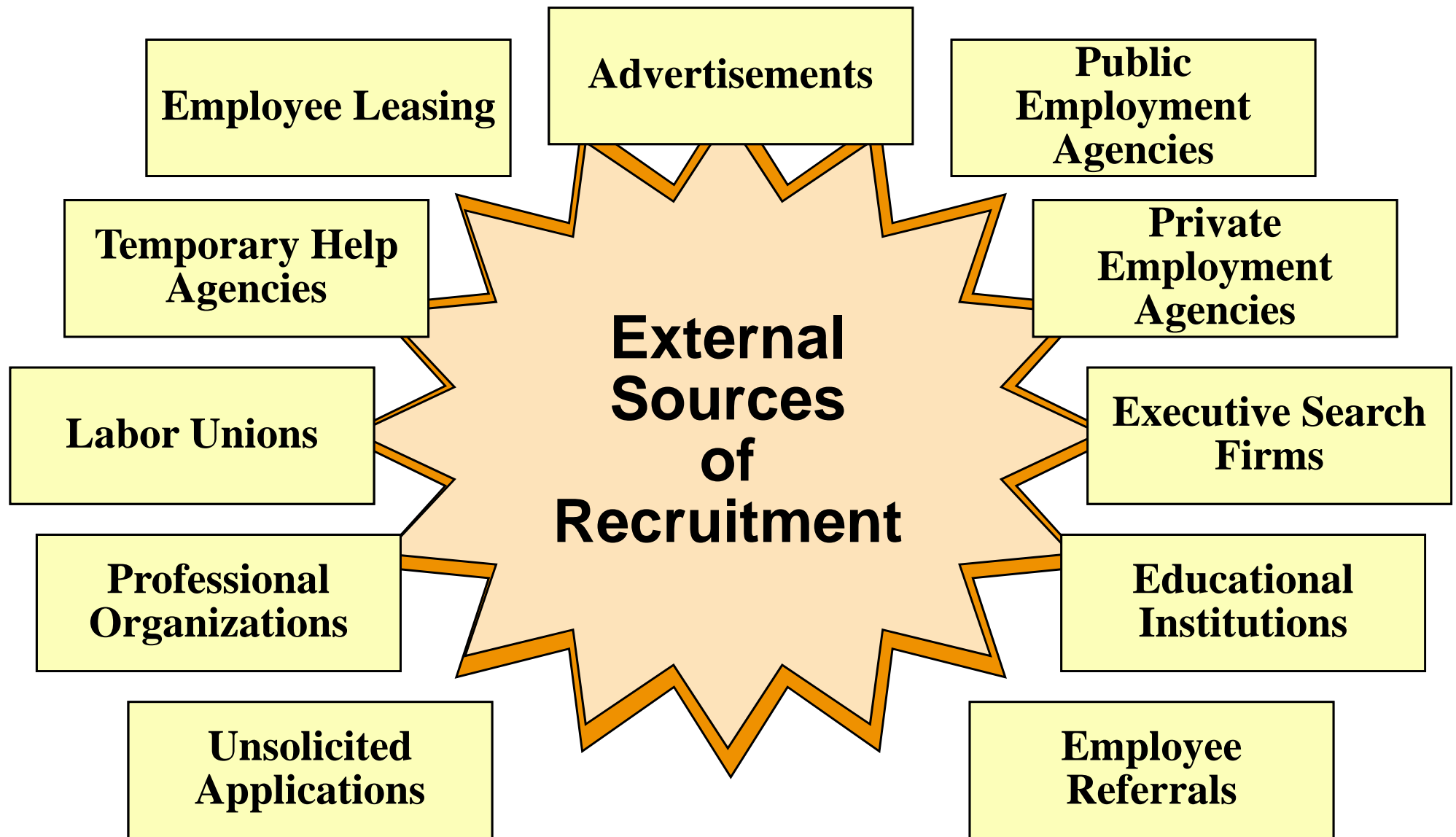
- Key elements of a job description
 - Job Title
 - Indicates job duties and organizational level
 - Job Identification
 - Distinguishes job from all other jobs
 - Essential Functions (Job Duties)
 - In the order of importance or time required
 - Indicate responsibilities entailed and results to be accomplished
 - Job Specifications
 - Skills required to perform the job
 - Physical demands of the job

Job Design

Outgrowth of job analysis that improves jobs through technological and human considerations in order to enhance organization efficiency and employee job satisfaction



Recruitment

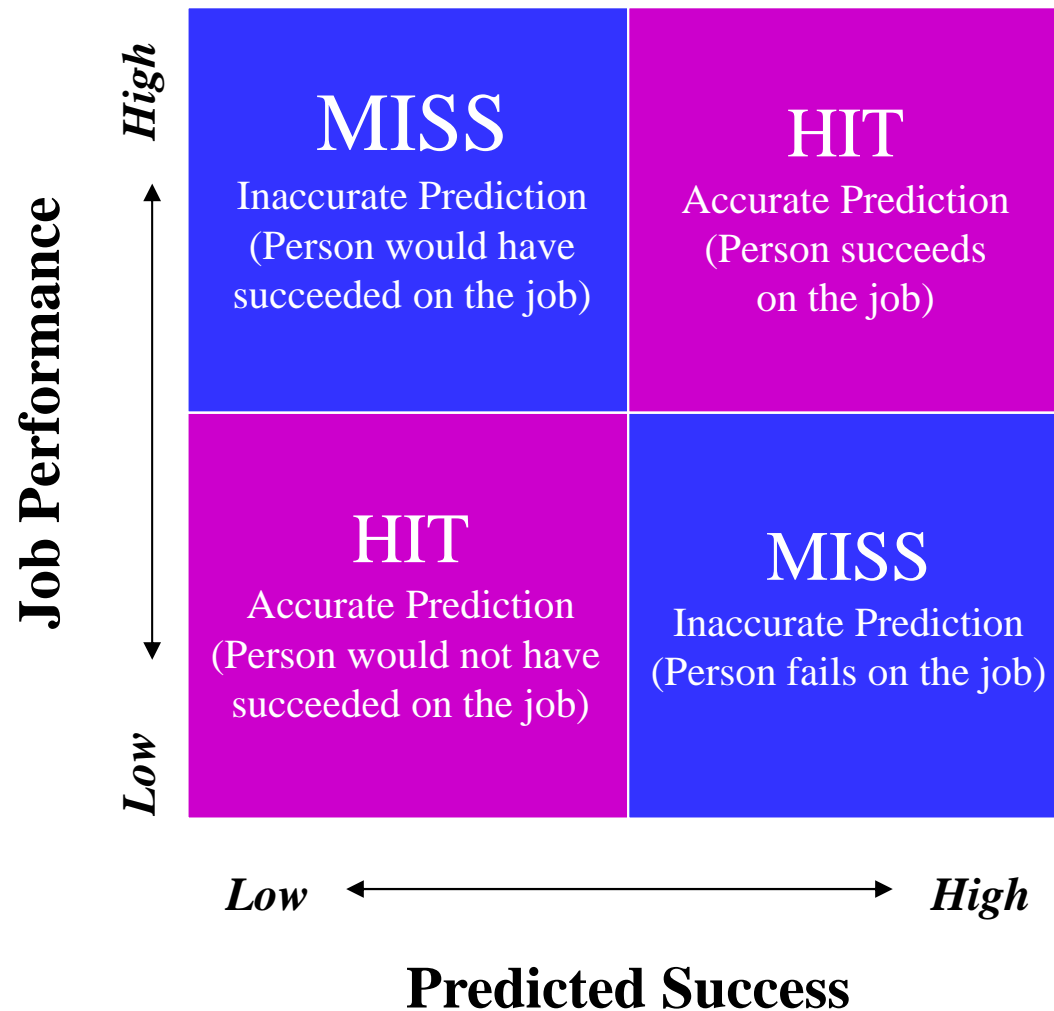




Staffing Technical Firms

- Staff selection
 - The process of choosing individuals who have relevant qualifications to fill existing or projected job openings
- Skills assessment
 - Hard skills - Technical capabilities readily assessed (transcripts, reports and references)
 - Soft skills - Behavior in team work, interpersonal skills, leadership quality, cooperative attitude, mental flexibility and adaptability - all related to personality - psychological profile, value systems and deep-rooted beliefs are difficult to evaluate

The Goal of Selection: Maximize “Hits”

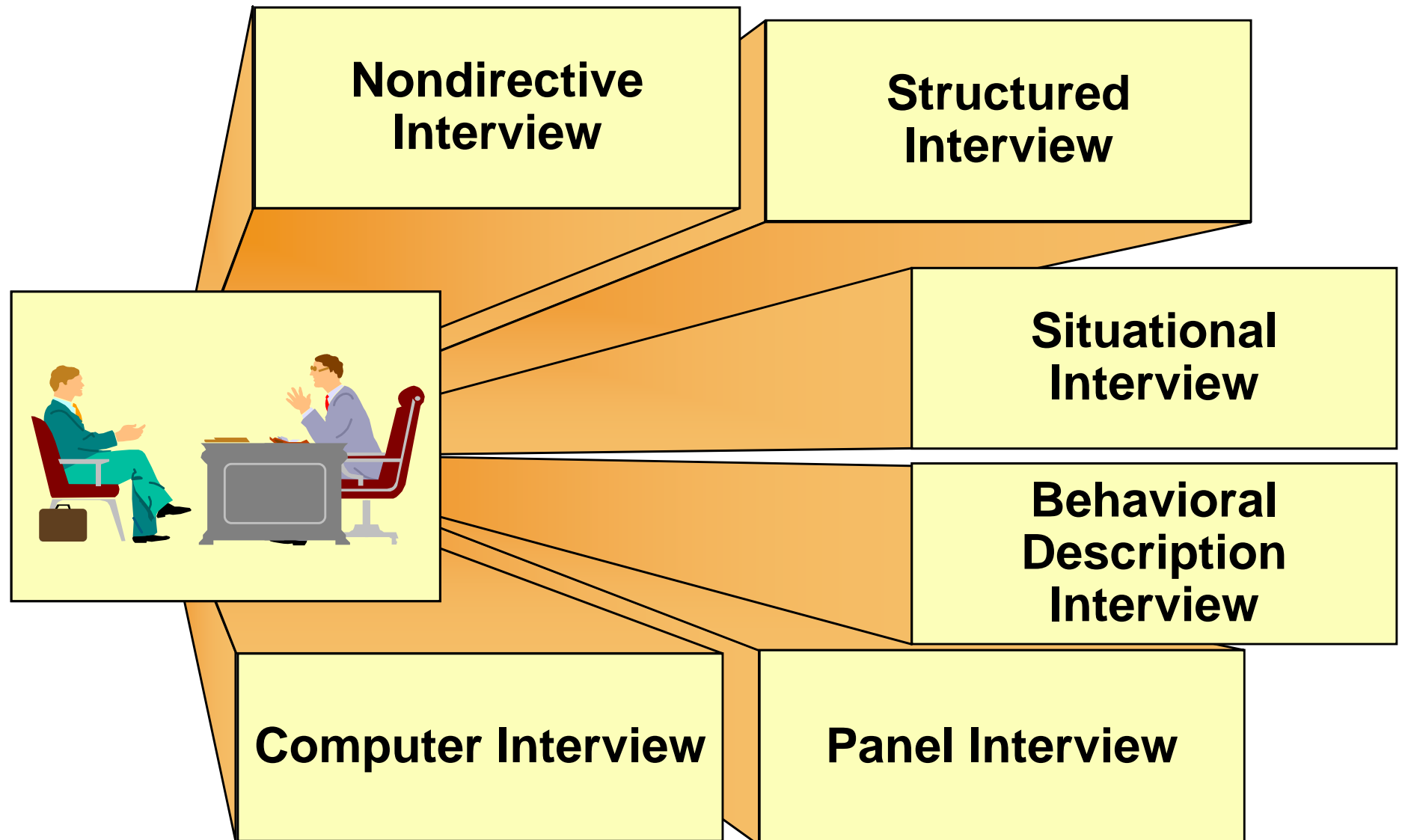


Steps in the Selection Process

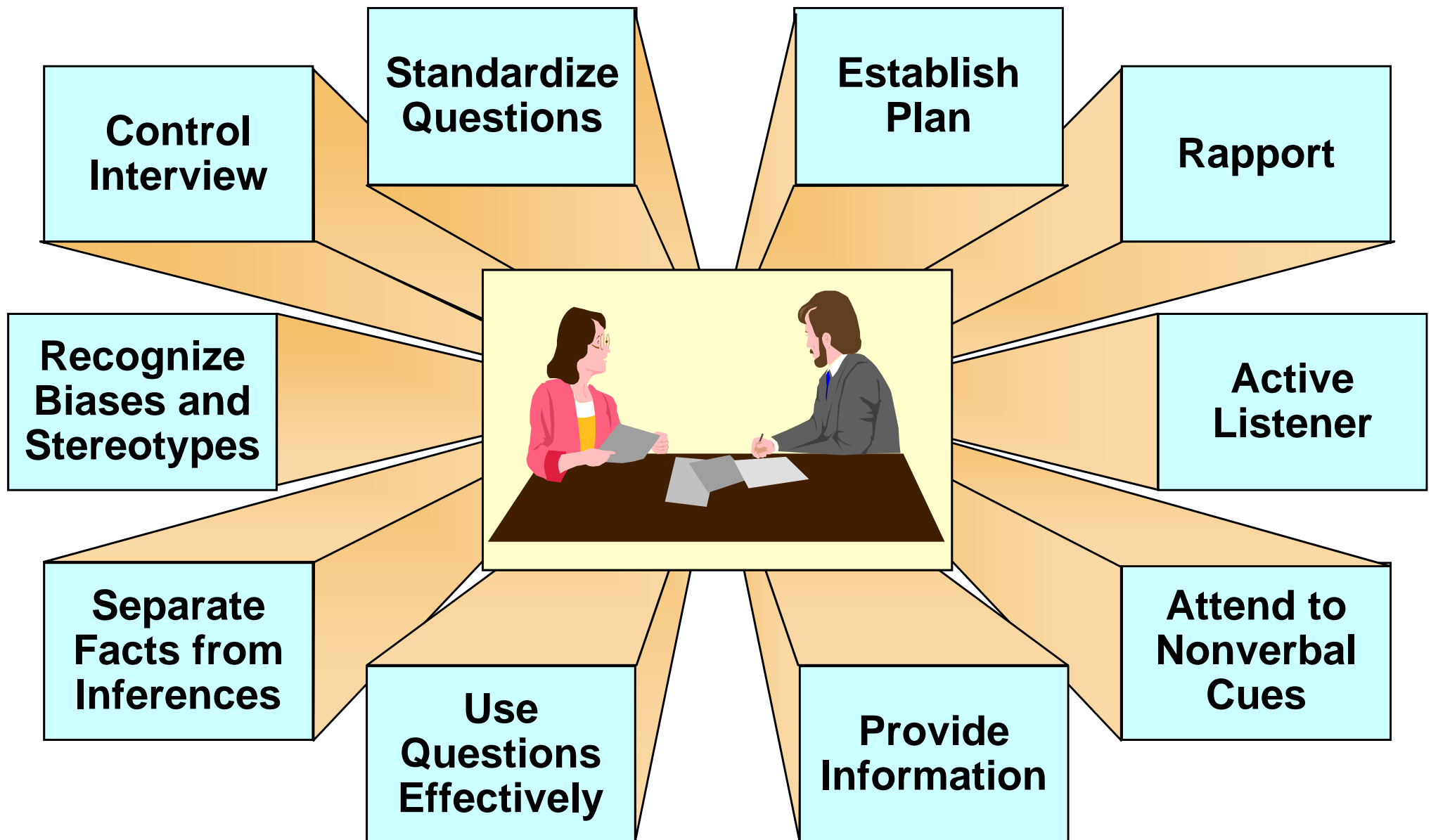


Note: Steps may vary. An applicant may be rejected after any step in the process.

Types of Interviews



Guidelines for Employment Interviews



Staff Training & Development



- Training
 - “ A planned process to modify attitude, knowledge or skill behaviour through learning experience to achieve effective performance in an activity or range of activity. In order to satisfy the current and future needs of a project”
- Considerations to be taken:
 - Is training a solution for the problem?
 - Are the goals clear and realistic?
 - Is it a good investment?
 - Will it work?

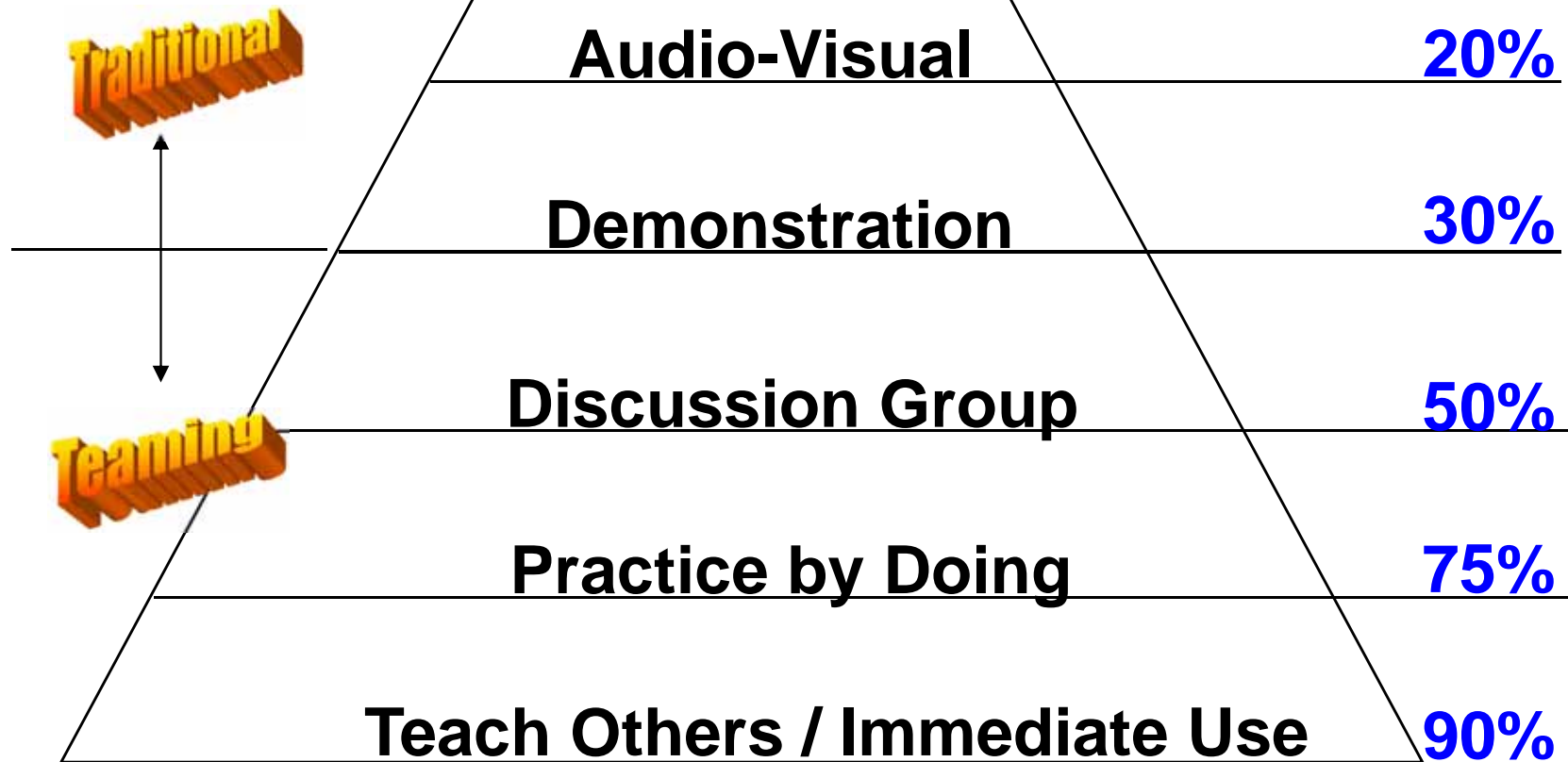


Learning Pyramid

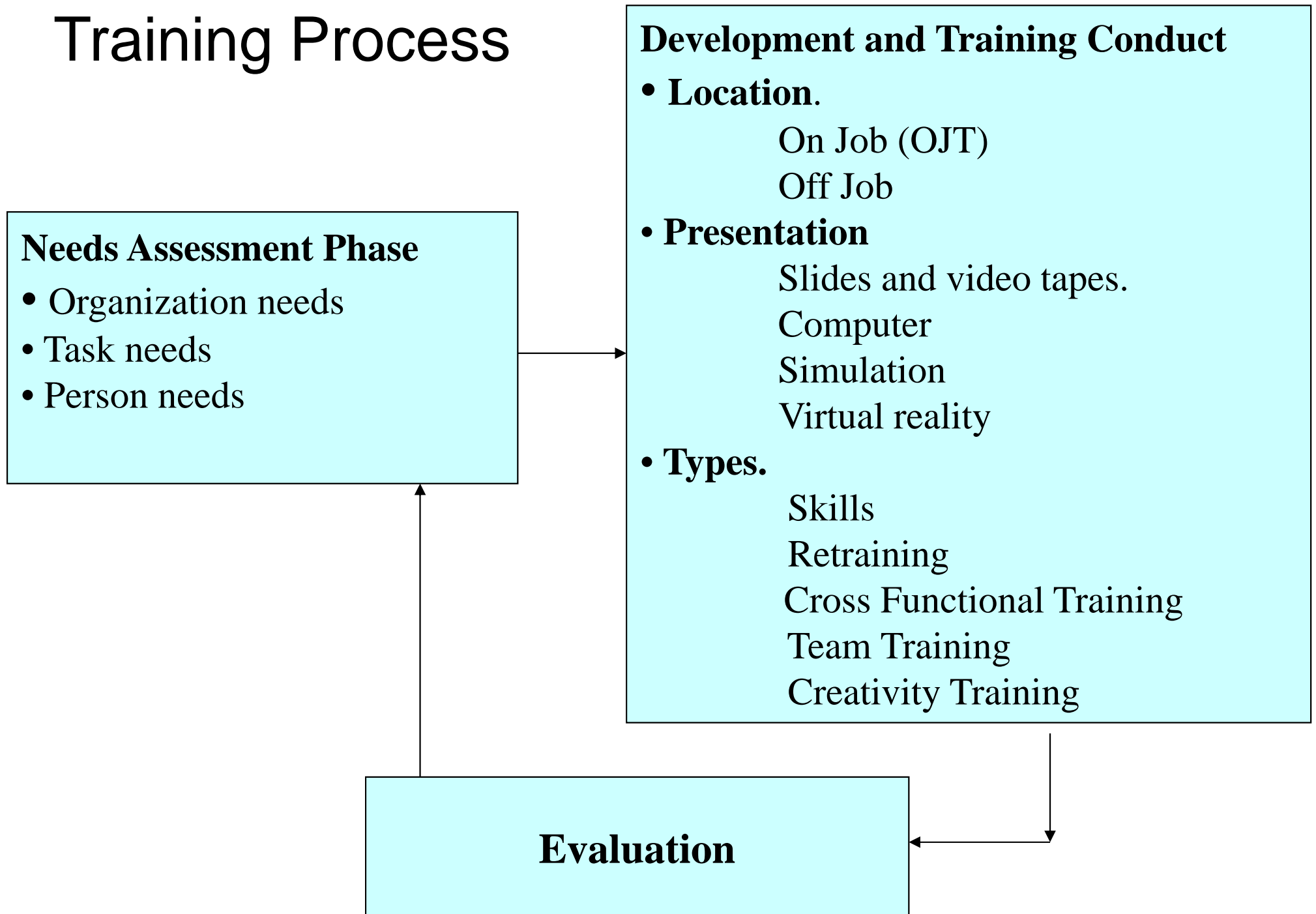
National Training Laboratories
Bethel, Maine 1-800-777-5227

Dale, Edgar, *Audio-Visual Methods in Teaching, third edition*, Holt Rinehart, Winston, 1969.

Average Retention Rate



Training Process



Staff Training & Development



- Orientation and training
 - Helps newcomer become aware of organization and values
- Developing (of staff)
 - Purpose: To improve knowledge, attitude and skills of employees
 - Knowledge: Cognizance of facts, truths and other information
 - Attitude: Customary dispositions toward people, things, situations and information
 - Skills: Ability to perform specialized work with recognized competence

Staff Training & Development



- Guidelines for employee development
 - Emphasize employee's role in development (good for the individual and company)
 - Appraise present performance and future potential
 - Counsel for improvement (to induce self-improvement, set example)
 - Develop successors - career planning plan of some progressive companies

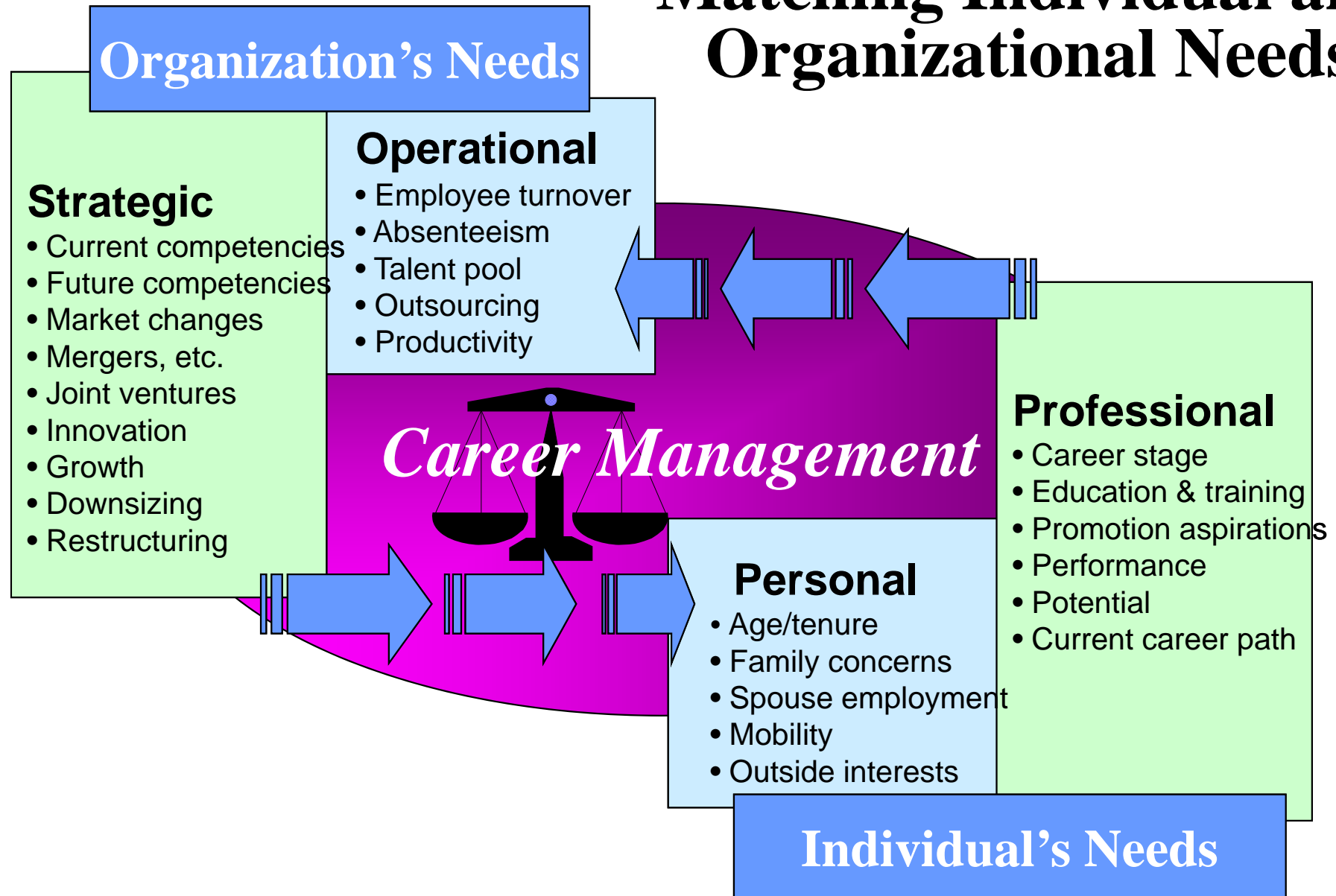
Staff Training & Development



- Career development
 - Matching individual and organizational needs
 - Creating favorable conditions
 - Identifying job opportunities
 - Alternative career moves
 - HR's role in career development
 - Gauging employee potential
 - Career development programs
 - Mentoring functions
 - Stages of career development

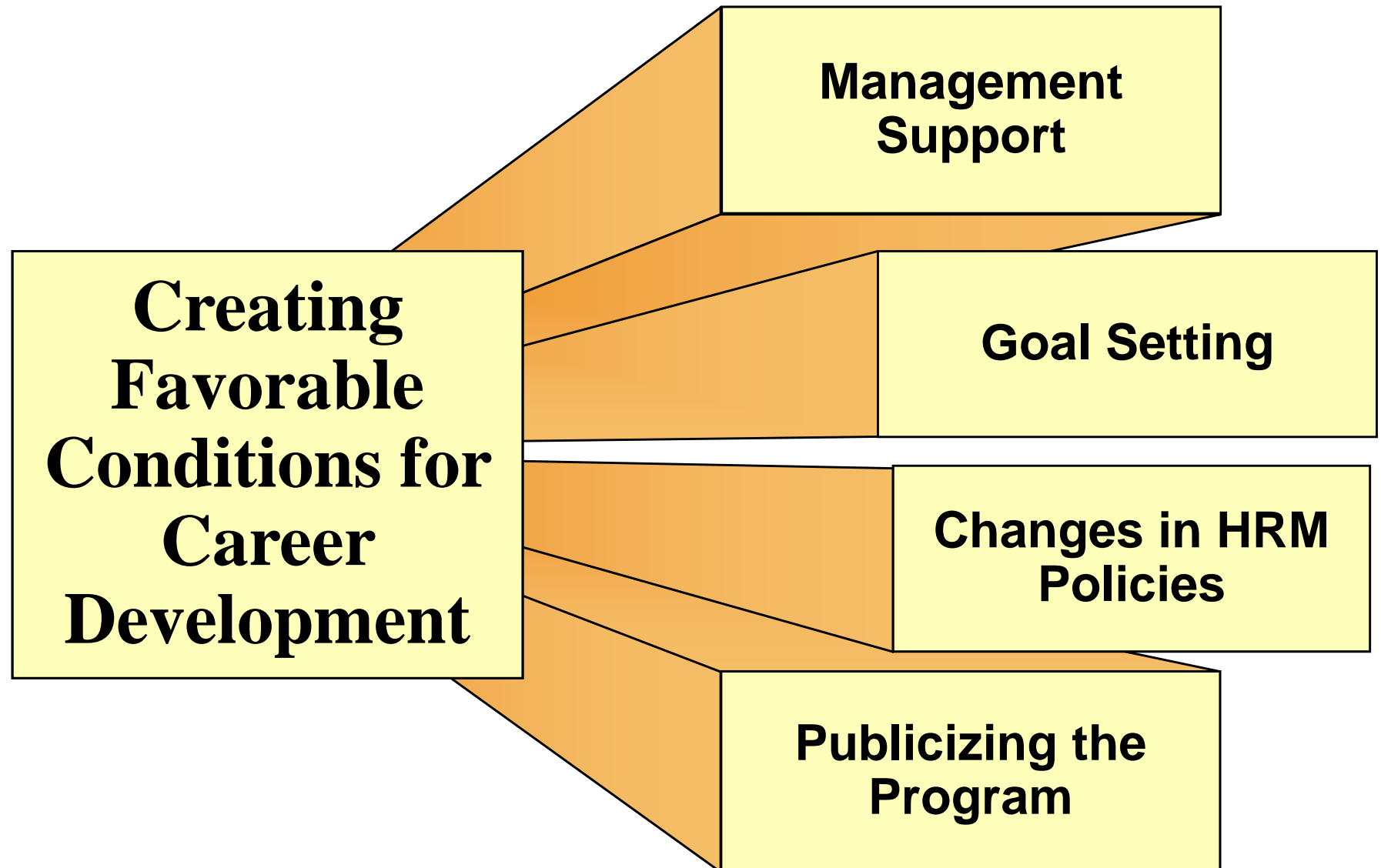
Career Development

Matching Individual and Organizational Needs



Career Development

Creating Favorable Conditions

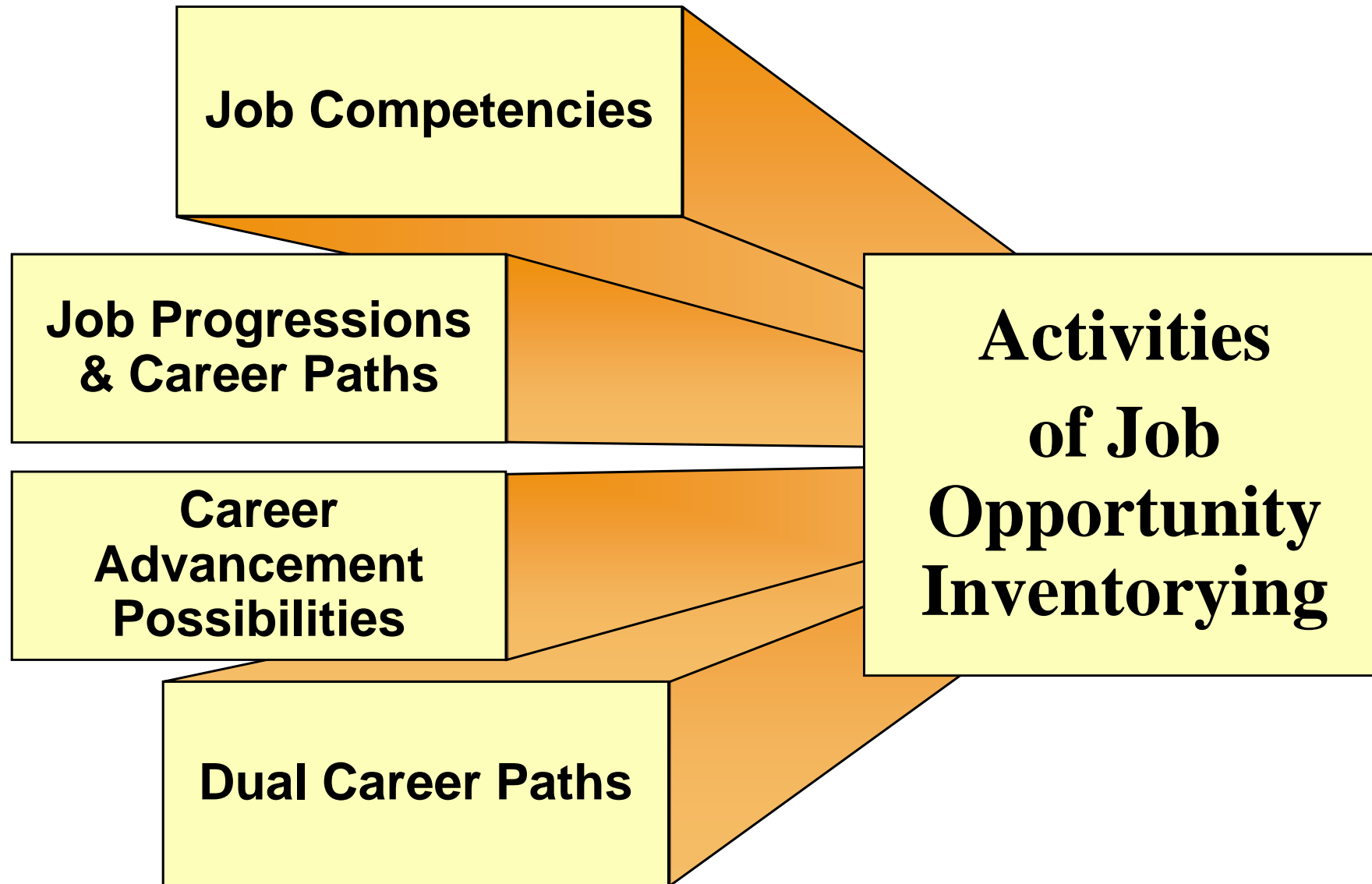


Staff Training & Development

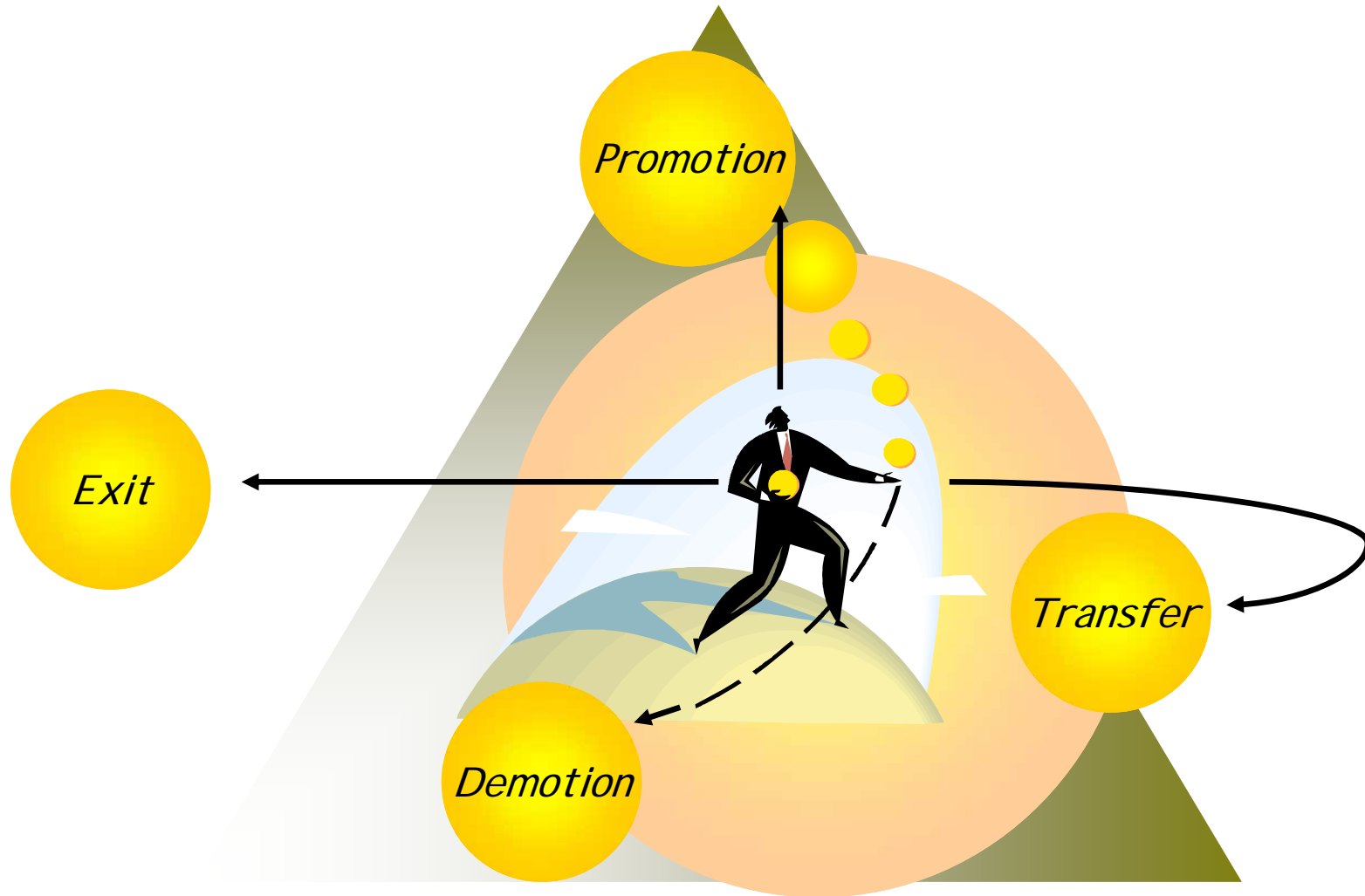


- Creating favorable conditions
 - Management participation
 - Provide top management support
 - Provide collaboration between line managers and HR managers
 - Train management personnel
 - Setting goals
 - Plan human resources strategy
 - Changing HR policies
 - Provide for job rotation
 - Provide outplacement service
 - Announcing the program
 - Explain its philosophy

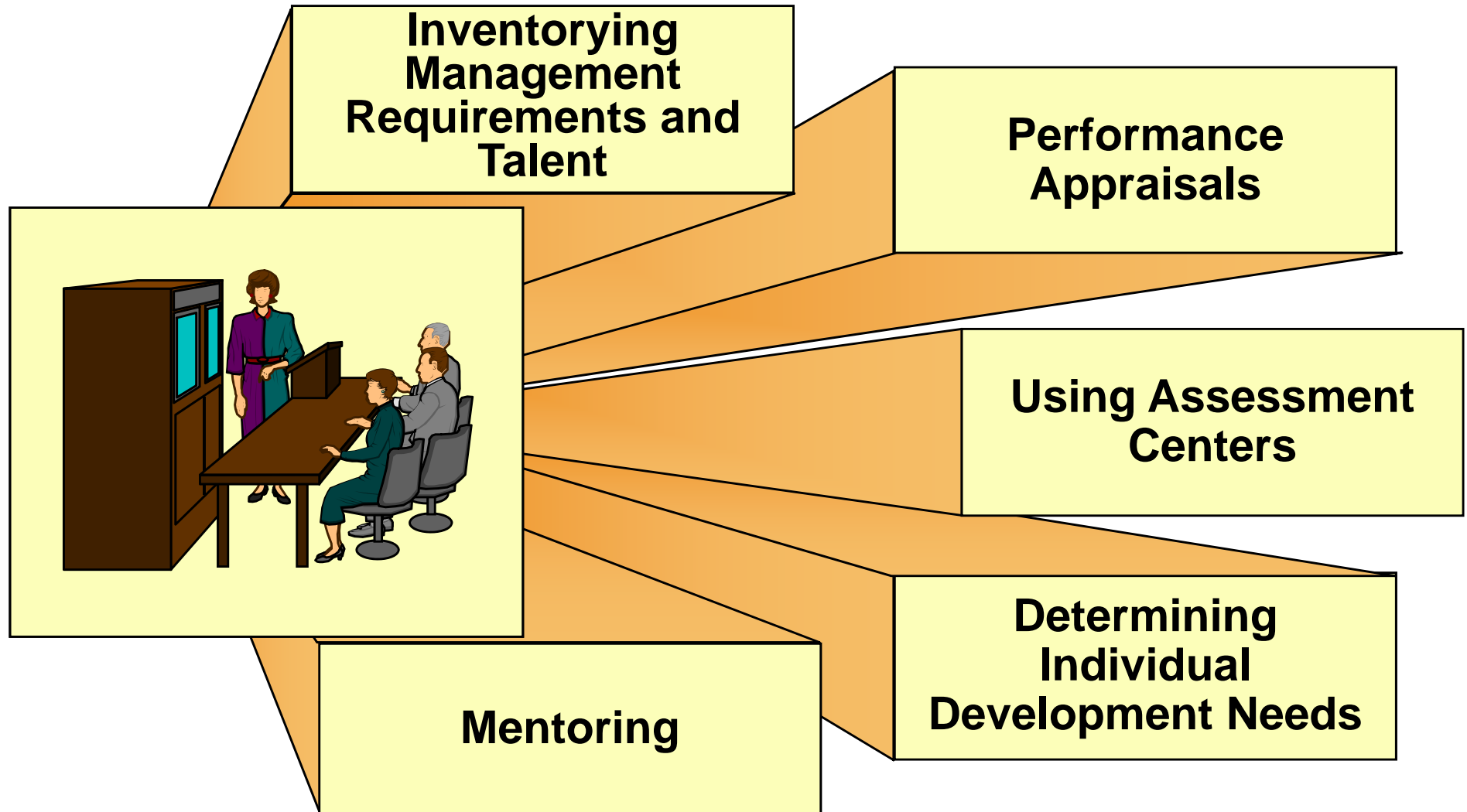
Identifying Job Opportunities



Alternative Career Moves



Career Development Programs



Stages of Career Development

Stage 5: Late Career (ages 55-retirement):

Remain productive in work, maintain self esteem, prepare for effective retirement.

Stage 4: Mid Career (ages 40-55): Reappraise early career & early adulthood, reaffirm or modify goals, make choices appropriate to middle adult years, remain productive.

Stage 3: Early Career (ages 25-40): Learn job, learn organizational rules and norms, fit into chosen occupation and organization, increase competence, pursue goals.

Stage 2: Organizational Entry (ages 18-25): Obtain job offer(s) from desired organization(s), select appropriate job based on complete and accurate information.

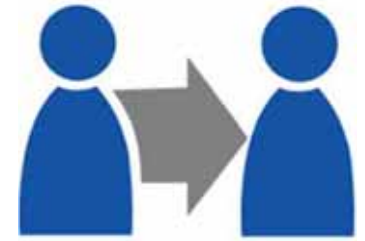
Stage 1: Preparation for Work (ages 0-25): Develop occupational self-image, assess alternative occupations, develop initial occupational choice, pursue necessary education.



Delegation

- **Objective** - To improve manager's overall efficiency by selectively distributing work for employees to do
- **Process** - Managers delegate the responsibility and needed authority of doing specific work to employees and create upward accountability in them for securing the anticipated results
- Why delegating
 - Improve quality and quantity of work done
 - Allow manager to do manager's job
 - Become knowledgeable of employee's capabilities
 - Distribute work load efficiently/equitably

Delegation



- Why delegating (cont'd)
 - Develop leadership capabilities in people
 - Improve operating decisions - reducing cost
 - Facilitate teamwork, making job more satisfying to employees
 - Create opportunities for employees to gain recognition, encouragement and incentives
 - Allow employees to develop new skills and knowledge, fostering initiative and competence, and gaining self-confidence
 - Encourage employee growth/development

Assignment, delegation, and accountability

Manager

↓
Assigns
duties
to

↓
Delegates
authority
to

↑
Exacts
accountability
from

Subordinate

Manager



Subordinate



Responsibility



Authority



Accountability



Delegation matrix

Employee	Can	1	3
	Cannot	2	4
		Cannot	Can
		Engineering Manager	

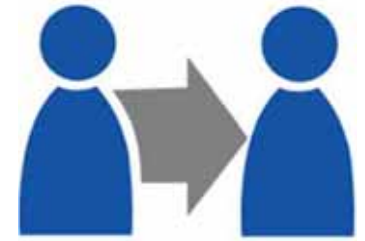
1: Employee

**2: Neither; if must,
then to be done
by engineering
manager**

3: Employee

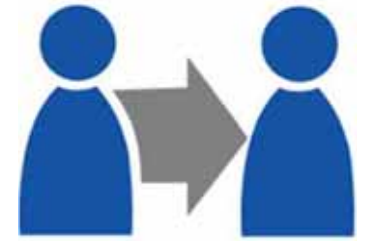
4: Engineering manager

Delegation



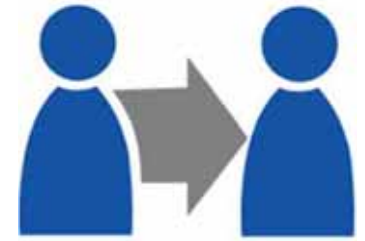
- What to delegate
 - Problems/Issue requiring exploration, study and recommendation for decision making
 - Activities coming within the job scope and capabilities of employee
 - Tasks fitting company's needs and promoting employee development and growth
 - Activities, if done right, would save manager's time

Delegation



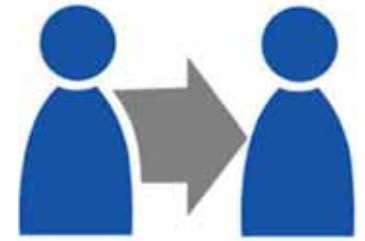
- What not to delegate
 - Planning (to define the right things to do)
 - Resolve morale problems, differences and conflicts in groups/units
 - Coaching and developing employees
 - Review, evaluate and correct performance
 - Own assignments from big bosses
 - Others (own “pet” projects, tasks absent of talents)

Delegation



- How to delegate
 - Communicate the importance of task, set goals and performance indicators, check on understanding/confidence
 - Delegate responsibility for quality of work
 - Allow operational decision making (resources, method, sequence of tasks, etc.)
 - Trust the employee and give recognition
 - Retain own upward accountability

Delegation



- Barriers to delegation

- Own technological obsolescence - Employee may learn and grow technically
- Organizational barriers - unclear roles and responsibilities, line and staff positions

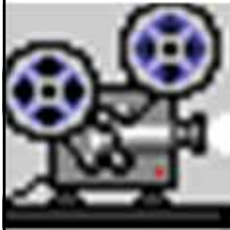
- Notes on delegation

- Delegation is limited by control in effect - no control, no delegation
- Authority must be commensurate with responsibility and accountability
- Willingness and ability of employee are keys

Further Reading



- Organizing in Business Management (video and texts)



- <http://education-portal.com/academy/topic/organizing.html>
- Organizing as a Function of Management (6:29)
- Organizational Design and Structure (7:43)
- Mechanistic & Organic Organizational Business Structures (7:12)
- Work Specialization in Organizations (5:10)
- Authority in Centralized & Decentralized Organizations (4:59)

Further Reading



- Organizing in Business Management (cont'd)
 - <http://education-portal.com/academy/topic/organizing.html>
 - Types of Traditional Organizational Designs: Simple, Functional & Divisional Designs (7:46)
 - Types of Contemporary Organizational Designs: Matrix, Team & Network Designs (8:41)
 - Characteristics of Informal Organizations: The Grapevine & Informal Groups (5:52)
 - Chapter Exam



Further Reading



- Human Resources (video and texts)
 - <http://education-portal.com/academy/topic/human-resources.html>
 - Human Resource Management: Hiring and Staffing (9:25)
 - The Hiring Process: How Human Resource Managers Recruit and Hire Employees (6:06)
 - New Employee Orientation: Function & Characteristics (5:31)
 - Assessing Training Needs of an Organization (5:50)
 - Types of Employee Training Programs (5:53)
- Video: Steve Jobs talks about managing people (2:26)
 - <http://www.youtube.com/watch?v=f60dheI4ARg>

