

Porter's Five Functions of Management: Staffing

SUBMITTED BY: Knowledge@Wharton Summer Educator

SUBJECT(S): Management

GRADE LEVEL(S): 9, 10, 11, 12

≡ OVERVIEW:

In this lesson, the teacher will address the staffing function that is a part of the “Five Functions of Management” as it applies to small businesses. Students will first read the Knowledge@Wharton article: “Snails, Samples and Mr. Biggs: Negotiating and Maintaining Professional Contracts,” and then conduct job interviews as they explore the recruitment and staffing functions. The staffing function is the third function in the list of the “Five Functions of Management” (see definition from standards below).

≡ NBEA STANDARD(S):

- Management, I. Management Functions

The Five Functions of Management:

- **Planning** – Managers are responsible for setting the course of actions that will best fulfill the company’s goals. Planning involves knowing what to do, when to do it and how to do it. Managers are responsible for consulting with different departments of the company in order to set the appropriate path for allocating capital in the right directions.
- **Management Decision-Making & Strategy** – Managers must identify the activities to be completed, assign duties, create and authorize responsibility, and coordinate the different levels of operations.

- **Staffing** – Keeping individuals in the proper departments and finding talent to employ are also among the functions of management. Staffing includes recruitment, performance appraisal, promotions and transferring employees to the proper departments.
- **Directing** – Managers must supervise, motivate, lead and maintain communications with their employees.
- **Controlling** – Managers must control their departmental employees and operations to ensure that organizational goals are achieved.

Common Core Standard(s):

- *Reading Standards for Informational Text:* Cite strong and thorough textual evidence to support analysis of what the text says explicitly as well as inferences drawn from the text.
- *Speaking & Listening:* Initiate and participate effectively in a range of collaborative discussions (one-on-one, in groups, and teacher-led) with diverse partners on grades 9–10–11–12 topics, texts and issues, building on others’ ideas and expressing their own clearly and persuasively.

Objectives/Purposes: The purpose of this lesson is for students to comprehend elements of staffing for a business/organization, as a function of business management, at the local level. Students will be able to make connections at scale, and understand the organizational dynamics of a small business operation.

Knowledge@Wharton Article: [“Snails, Samples and Mr. Biggs: Negotiating and Maintaining Professional Contracts”](#)

Other Resources/Materials:

Internet access and projector

Activity:

1. *Introduction: Class discussion opener (5 min)*

a) *(5 mins)*

Introduce students to the **Staffing** function of business management, and discuss with them the four basic elements of staffing: *recruitment, promotion, performance appraisal* and *employee transfer*.

Definitions (from businessdictionary.com):

- *Recruitment* – The **process** of identifying and **hiring** the best-qualified **candidate** (from within or **outside** an **organization**) for a **job** vacancy, in a most timely and **cost effective** manner.
- *Promotion* – The advancement of an employee within a **company position** or **job tasks**. A **job promotion** may be the **result** of an **employee's proactive** pursuit of a higher **ranking** or as a **reward** by **employers** for good **performance**. Typically, it is also **associated** with a higher **rate of pay** or a **financial bonus**.
- *Performance Appraisal* – The **process** by which a **manager** or **consultant**:
 - (1) **Examines** and **evaluates** an **employee's work behavior** by comparing it with preset standards.
 - (2) **Documents** the **results** of the **comparison**.
 - (3) **Uses** the results to **provide feedback** to the employee to show where **improvements** are needed and why.

Note: Performance **appraisals** are **employed** to **determine** who **needs** what **training**, and who will be promoted, demoted, retained, or fired.

- *Employee Transfer* – The transfer of an employee (within an organization) from one job to another. This movement may take place within the same building location or between locations (i.e., a Verizon employee may transfer from one store outlet in Philadelphia to another store in the same city, or an employee may transfer across the country from a store in Philadelphia to a Verizon store in Los Angeles, California).

b) (5 mins)

Have the students get into groups and brainstorm why each element is important from their perspective. The groups should then present their findings and briefly discuss them as a class.

Enrichment Activity Part I: (7 mins)

The teacher should explain to the students that establishing a small business enterprise at the local level (i.e., in a local community, neighborhood, “mom and pop” store, etc.) and maintaining/sustaining that business comes with a particular set of challenges and considerations for the business manager/leader. Have students get into groups and list some of the challenges that small businesses may face with staffing (i.e. *recruitment, promotion, performance appraisal, and employee transfer*). Some of these potential challenges include:

- **Recruitment:** A small business may not be able to offer as attractive compensation packages as larger companies (e.g., they may not have the ability to offer stock options if they are not publicly traded).
- **Recruitment:** A small business may only be able to attract “local” talent and, therefore, their available talent pool may be smaller than larger companies.
- **Recruitment:** Small companies may not have the name recognition to attract top talent.
- **Promotion:** Small companies may not be able to offer as many opportunities for professional growth (e.g., they may not have other positions available and they may not be able to create a new position given potential economic constraints).
- **Performance Appraisal:** Small companies may not have developed the processes to facilitate performance appraisals (e.g., if the small company does not have a human resource department or if the management is stretched too thin, performance appraisal may not be a priority). Performance appraisals are very important because people like to know how they are performing and it is good for the company to set clear expectations.
- **Employee Transfer:** A small company may not be able to offer an employee the ability to transfer locations, especially if the company only has one location or if it is regionally constrained.

Have students present their group findings and discuss them as a class.

Enrichment Activity Part II: (7 mins)

Have students get into groups and list some of the advantages that small businesses may have with respect to staffing (i.e. identifying and hiring talented workers). Some of these potential advantages include:

- **Recruitment:** A small company may provide more flexibility and may be able to attract employees who are looking for a certain freedom in their workplace.

- **Promotion:** A small company may provide more opportunity for growth and diverse experiences (i.e. employees have to wear multiple hats), thus leading to faster promotions.
- **Performance Appraisal:** With fewer employees, the appraisal process is typically less “checklist” oriented. Each employee is able to receive rich, qualitative feedback for their professional growth.
- **Employee Transfer:** Small companies may have fewer employees, but these employees are typically highly loyal and seek transfers less often, providing more stability in the workplace.

Have students present their group findings and discuss them as a class.

2. Guided Reading: (10 mins)

Note: The teacher should either use the projector to beam the article: “Snails, Samples and Mr. Biggs: Negotiating and Maintaining Professional Contracts,” for the students to read or they could access it on their own computers, if they have them.

As they read, students should think of the small Nigerian business presented in the article, in the context of the staffing function in business management. Based on the article, have students consider the challenges unique to such a local, small business.

3. Group Discussion: (10 mins)

Let students form into groups to discuss and answer the following questions ([Worksheet 1](#)):

1. How does Adegbesan recruit potential employees to her company?
2. How many employees does a company like Adegbesan’s have? (very few, many?)
 - Answer: Very few
3. What sort of promotions are possible in the context of Adegbesan’s company?
4. Why do students think that Adegbesan does much of the legwork herself?
5. How might Adegbesan conduct performance appraisals, especially in the light of the fact that her employee count is probably very small? How does/might she evaluate herself?
6. What sort of relationship does an individual have to a business enterprise when they are the main staff-force? When they are their own boss?
7. What are some of the advantages of having a small staff?

- Answers may include:
 - i. More flexibility
 - ii. More social camaraderie
 - iii. More synergy/multi-tasking
 - iv. Less bureaucracy/Less “red tape”

Tying It All Together: Staffing is the third function in the list of the “Five Functions of Management.” The other four functions are: Planning, Organizing, Directing and Controlling. In terms of an overall strategic view, now that students understand the staffing function, the teacher may wish to contextualize this function vis-à-vis the other four remaining functions. Each function can be analyzed at various levels of scale (small business/local, national, multi-national, non-profit, etc.), and at each level there are insights into a variety of strategic approaches to business management.

This lesson plan can be a standalone or the teacher may wish to visit other Wharton Global Youth Program lesson plans that highlight the other functions of management. Bear in mind that each function represents a unique element of business management and when the five are taken together, they collectively articulate the role of the business manager as a leader/steward of the organization.

The “Five Functions of Management” are subsumed within the greater umbrella of business management including but not limited to:

- Theories of Management
- Business Organization
- Personal Management Skills
- Business Ethics and Social Responsibility
- Human Resource Management
- Technology and Information Management
- Financial Decision-Making
- Operations Management

Practice Outside of the Classroom: Students can be asked to focus on the various staffing elements that are already all around them. *Recruitment* occurs during sports athletics tryouts. *Performance appraisals* take place every time a student receives a grade in an exam or on their report cards. *Promotions* occur every time students are promoted to the next grade level or when they graduate from high school to attend higher education.

What Worked and What I Would Do Differently: The article selected for this lesson is actually a good one for students to speculate on the composition of Adegbesan’s staffing needs in order to keep her business afloat and growing. Once we identified the types of positions that she might have created, we wondered where she would find these employees and what kind of backgrounds they should bring to the job. A few students suggested that Adegbesan would need a diverse staff to meet the needs of her potential clients. Other students felt that Adegbesan’s employees would be Nigerian family members and friends.

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