Chapter 1: Strategic Staffing

LEARNING OBJECTIVES

After studying this chapter, you should be able to:
- Understand why staffing is critical to an organization's performance.
- Define *strategic staffing* and contrast it with less strategic views of staffing.
- Describe the seven components of strategic staffing.
- Understand staffing goals.
- Describe how staffing influences and is affected by the other functional areas of human resource management.

TAKEAWAY POINTS

1.   Staffing is critical to an organization's performance because it is the means through which the firm acquires, deploys, and retains the talent needed to execute its business strategies and perform well. Staffing is the cornerstone of effective human resource management because it generates the talent that is supported and fostered by a company's other HR functions.

2.   Strategic staffing is the process of staffing an organization in future-oriented, goal-directed ways that support the organization's business strategy and enhance its effectiveness. Strategic staffing moves people into, through, and out of the organization in ways that maximize the organization's performance and its ability to compete. It requires long-term planning, as well as aligning the staffing function with the firm's business strategy and the other areas of HR. Strategic staffing involves assessing the labor market, targeting recruits, assessing candidates based on job-related success factors and the candidates' longer-term potential, and evaluating staffing outcomes against pre-identified goals.

3.   The seven components of strategic staffing are planning, sourcing, recruiting, selecting, acquiring, deploying, and retaining talent.

4.   The ultimate goal of a staffing system is to hire people who can perform well and contribute to the execution of the company's business strategy. Doing so as quickly as possible and experiencing a good return on the time and resources invested in the staffing effort are also important. Other staffing goals might involve the quality of new hires, their retention rates, how quickly openings are filled, the company's return on the training new hires receive, and the promotion rates of new hires. Staffing goals should be identified in the early stages of staffing planning, and the staffing system should be evaluated to ensure that it is meeting these goals.

5.   Staffing both influences and is affected by performance management, training, and compensation. Staffing practices can influence the options available to, and the effectiveness of, the rest of the human resource function. It is critical that the goals and practices of all of the human resource functional areas be in alignment with each other in support of the firm's human resource and business strategies.

DISCUSSION QUESTIONS

1.   Relate a hiring experience you have had as a job seeker to the process illustrated in Figure 1-1. What could the organization you applied to have done to improve your experience?

Students typically identify jobs for which they received a job offer as examples of good hiring experiences. They also discuss being treated with respect, interacting with knowledgeable recruiters, using appropriate selection methods, and having a reasonable timeline. They may also mention being kept informed throughout the process and feeling that the methods used in making hiring decisions were fair.

As examples of bad hiring experiences, students typically describe unprepared or unprofessional recruiters or interviewers, inappropriate or illegal interview questions, delays in the hiring process, and submitting a resume or application for a position and never hearing back. Lengthy hiring processes that require a lot of time or resubmitting information that was already provided are sometimes mentioned. Screening methods seeming not to be job related and bad negotiating experiences may also be brought up.

The stories shared by students can be entertaining and can highlight important ways that organizations need to manage the staffing process. Suggestions for creating good hiring experiences typically build on the positive points noted above and address the aspects described in the poor hiring experiences. Respect, promptness, clear and frequent communication, and job relatedness are common themes.

2.   Assume that your organization wants to pursue a staffing strategy of acquiring the best talent possible. Give an example of how the firm's ability to provide only average pay can affect the success of this staffing strategy.

If the pay is only average, then it is difficult to hire top talent even if your selection system is able to identify it. High base pay, and a pay-for-performance package that rewards good performance, can attract and retain people who have the best skills. The most well designed pay-for-performance system will not lead to high performance if the required abilities and motivations are missing from the people you hire. A poorly designed pay-for-performance program is demotivating if it fails to reward top employees because expectations are too high. When the performance of the best employees is not good enough for the organization, then employees will quit trying. If you want to hire good talent, but also want to replace it every few years with people with the

most current skills, then paying a hiring bonus and giving a short-term retention bonus would reinforce that staffing strategy.

3.   Why is staffing so important to store performance, as is discussed in the chapter vignette?

Staffing outcomes determine what an organization's employees will be willing and able to do. Thus, staffing influences the success of future training, performance management, and compensation programs. Because it generates the talent that will ultimately be used by an organization to produce its product or service, staffing has a direct impact on employees' capabilities, behaviors, and performance. Training, motivation, and performance management initiatives will not be successful if the wrong people are hired.

4.   Recruiting and selection are interdependent, two-way processes in which both employers and recruits try to look appealing to the other while learning as much as they can about their potential fit. Impression management is the process through which people and employers each try to control the impressions others form of them. How do applicants and employers try to look appealing to each other during the staffing process?

Applicants try to look appealing to employers by writing a clear, thorough resume or an application that contains no typographical, spelling, grammatical, or other errors. They dress professionally, and arrive on time for all appointments with the company. If asked for additional information or materials, applicants provide them quickly. Applicants also behave professionally and try to build rapport with interviewers and other company representatives they meet.

Employers try to look appealing to applicants by providing a Web site with comprehensive information about the company and the position the person is applying for. They also treat applicants with respect and try to present the company in an appealing way. Current employees greet applicants by name when they arrive for interviews or other assessments, and try to make applicants feel comfortable and welcome. Explaining the job relevance of assessment methods and answering applicants' questions about the job and organization also increase a firm's appeal.

5.   If your CEO asked you why she should invest more money in the organization's staffing systems, what would you tell her?

Responses typically focus on how staffing generates the company's talent, on which the company depends in some way for strategy execution. If done well, money spent on staffing will generate a large return on the investment by improving productivity, reducing turnover, and improving the depth of an organization's future leadership talent. Anticipated talent shortages can be headed off by developing recruiting and staffing practices that improve the talent supply chain and create a positive employer image for the company.

EXERCISES

1. Strategy exercise: Working alone for 5 minutes, take notes about how you might design a staffing flowchart for your own job. If you have no work experience, choose a job with which you are familiar. Next, form a group of three to four students, choose one of the jobs just identified by your group members, and design a staffing flowchart for it. Be prepared to share your ideas with the class.

   Answers will vary with the job and organization chosen, but should basically adapt to Figure 1-1.

2. Opening vignette exercise: This chapter's opening vignette described how Caribou Coffee discovered the importance of carefully staffing its store manager positions. Working in a group of three to five students, address the following questions. Feel free to use the Internet or other resources if you need additional information. Be prepared to share your ideas with the class.

   a. Describe three staffing goals that would reinforce Caribou's desire to hire the best store managers.

   Some possible goals include:
   ➢ *Store manager retention rates*
   ➢ *Store manager promotion rates*
   ➢ *Store manager transfer rates*
   ➢ *Store manager productivity*
   ➢ *Store manager satisfaction and motivation levels*
   ➢ *The number of store managers identified for promotion*

   b. How else can Caribou Coffee ensure that its staffing strategy for store managers is integrated with the firm's other HR functional areas?

   Some possible ideas include:
   ➢ *Performance management training for district managers*
   ➢ *Training district managers in employee development and employee assessment*
   ➢ *Evaluating and rewarding district managers for succession management, store manager development, store manager performance, and the number of their store managers receiving successful promotions*
   ➢ *Including succession management and employee development in managers' performance evaluations*
   ➢ *Integrating store managers' performance in succession management and employee development into the compensation system*

3. Develop Your Skills exercise: Go to www.onetonline.org/skills/ and navigate to O*NET OnLine's "Skills Search" feature. Identify the skills that you have, and the skills that you plan to acquire in the next two years, and click on the "Go" button. Next, choose one of the

occupations that match the skills you identified. Scroll to the bottom of the summary report and identify a state in the "State and National" section. Click on the "Go" button and read the occupation profile. View the career video if one is provided. Write a one-page report describing how you think this resource could be used by staffing professionals.

Staffing professionals are likely to find O*Net useful for labor market projections, job analysis information, and for identifying job factors they might not have thought about that could be appealing to job applicants. O*Net can also be useful in determining salary offers to chosen job candidates. O*Net can be useful for internal staffing by giving employees the ability to learn more about different career options in the firm without additional investment on the part of the company.

CASE STUDY

Strategic Staffing at Atlas Corporation

Graphic t-shirt company Atlas Corporation knows that executing its growth strategy depends on promoting from within. Atlas believes that its staffing activities must obtain talent able to do the job being filled and with the potential to advance into management. Because it tends to receive a large number of applications for its job openings, Atlas must also process a large number of applicants for every opening and wants to do so as efficiently as possible.

Atlas decides that it wants to capitalize on the trend of using social media to source and recruit. The company opens a Twitter account and starts Tweeting its job openings to people following the company (generally customers hoping for discount offers). It also posts its jobs on Monster.com, a large and popular job board, to try to maximize the number of applications. When job seekers apply for graphic design positions they first complete an online application, and the information is sent to a data base. A recruiter is immediately sent any applications that pass an initial competency screen. Within a few days, the recruiter emails the candidate to request a sample portfolio of the applicant's work. Because of the size of the files, the portfolios are often rejected by recruiters' email accounts and the candidate must fax the documents as Atlas has no cloud storage mechanism. Due to the large number of applications, those not passing the initial screen remain in the database unviewed and are not contacted in any way by the company.

Applications passing the initial screen are invited to a telepone interview with a recruiter to assess basic job-related competencies. The top 10 candidates are then invited to interview face-to-face with another recruiter to assess their fit with Atlas' culture and to better assess job-related skills and competencies. The top scoring 5 candidates are then invited to interview with the hiring manager, who makes the final decision on who should receive a job offer. A background check is then performed and if it is passed then a job offer is made. If a candidate declines the offer, the next highest scoring candidate receives a background check and a job offer until no acceptable finalists are left. Atlas evaluates the effectiveness of every staffing effort by evaluating the number of applications it received, the time it took to fill the position, and whether or not one of its first two job offers were accepted.

Questions:

1. What is Atlas doing well with regard to staffing strategically?
Atlas has aligned its talent strategy to support its growth strategy by evaluating candidates on both job performance as well as advancement potential. It also tracks some important metrics and utilizes a variety of assessment methods. Atlas has also increased how proactively it sources recruits.

2. How could Atlas staff its graphic designer positions more strategically?
To staff its graphic designer positions more strategically, Atlas could improve the quality of its technology to include cloud storage to handle the large portfolio sizes and better communicate with rejected candidates to improve their interest in future openings for which some might be a good fit. The time delay between applicants passing an initial online competency screen and the applicant being emailed by a recruiter should also be shortened. In addition, Atlas could include metrics on promotion rates and better identify and target the best sources of high quality recruits.

3. What would you suggest Atlas do to further enhance the alignment between its staffing function and its need to promote from within?
Atlas could incorporate specific screens for applicant characteristics it has found to be related to advancement in the company. It could also include a metric on internal promotion rates from each recruiting source and use this information to better target high potential job seekers. Recruiters could be given goals, feedback, and rewards based on their meeting the company's advancement objectives as well as employee performance outcomes.

SEMESTER-LONG ACTIVE LEARNING PROJECT

This project will enhance your analytical skills and allow you to apply the concepts in this textbook to a real-world situation. Your project team will select an organization about which your team has some interest or knowledge, and about which you can acquire additional information. The goal of your report is to align the staffing system for a key position in this organization with the organization's business strategy. Your team will analyze how effectively the target organization is staffing a key position, and make recommendations for improvement. At the end of each chapter is an assignment requiring you to apply that chapter's material to your chosen job.

Your report should target the company's executive management team. Your job is to persuade them that your recommendations will lead to a positive return on investment (ROI) for the firm and better enable it to execute its business strategy. Assume that the team does not have a working knowledge of staffing terminology. As a result, you need to write your report so that a layperson can easily understand what you are communicating.

Your task the first week is to form teams of four to five students, exchange contact information, and brainstorm jobs that at least one team member has access to. It can be a job one of you

currently holds or has held in the past, or a job a family member or friend has. Ideally, you will need about 30 minutes of time from a person who currently works or who has worked in the job, and 30 minutes of his or her supervisor's time. If you cannot get the supervisor to participate, using one or two current or previous jobholders is acceptable. Before leaving class, you should identify at least two positions that your group would like to use for the project and choose one to pursue. Before the next class, you should confirm that you will have access to the job experts, and solidify the job and organization your team will use for the project.

You will also need to identify realistic long-term and short-term process and outcome goals for your chosen position. Table 1-2 gives examples of both types of staffing goals, and Table 1-3 gives you some questions to consider in setting appropriate staffing goals.

The first week is used to establish student teams, explain the project, and get the teams started in thinking about which job in which company they want to use for the project. Students should be cautioned that they will be working with the job and company for the rest of the semester, so it is a good idea to generate a few alternatives before making a choice. Choosing a job that one or more of the team members is considering for him or herself can make the project even more motivating and interesting. The job can be any position in any organization. The team can only study the job in one organization – for example, if they want to study the job of pharmacist, they need to do it in only one organization such as Walgreens and not across multiple chains. Job titles may be similar or identical in different companies but have very different responsibilities, and the differing cultures of the organizations can influence the type of person sought by each company.