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
Staffing for Competitive Advantage

A competitive advantage is something that a company can do differently from its competitors allowing it to perform better, survive, and succeed in its industry.

Every company’s employees create, enhance, or implement the company’s competitive advantage.

Where do these employees come from?
- It all begins with the staffing process.
Why Is Staffing Important?

Staffing outcomes determine who will work for and represent the firm, and what its employees will be willing and able to do.

Staffing influences the success of future training, performance management, and compensation programs, as well as the organization’s ability to execute its business strategy.
What Is Strategic Staffing?

*Definition*: The process of staffing an organization in future-oriented and goal-directed ways that support the organization’s business strategy and enhance organizational effectiveness.

This involves the movement of people into, through, and out of the organization.
How Strategic Staffing Differs from Traditional Staffing

Traditional staffing:
- Less tied to strategy
- More reactive and likely to be done in response to an opening
- Lacks continuous improvement effort

Strategic staffing systems incorporate:
- Longer-term planning
- Alignment with the firm’s business strategy
- Alignment with the other areas of HR
- Alignment with the labor market
- Targeted recruiting
- Sound candidate assessment on factors related to job success and longer-term potential
- The evaluation of staffing outcomes against pre-identified goals
# Staffing Process

![Staffing Process Flowchart](image)

**FIGURE 1-1 A Flowchart of the Staffing Process**

<table>
<thead>
<tr>
<th>Sourcing &amp; Recruiting</th>
<th>Selecting</th>
<th>Onboarding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applicant</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applies for job by responding to filter questions and submitting résumé</td>
<td>Takes tests and is interviewed</td>
<td>Background check and drug testing</td>
</tr>
<tr>
<td>Human Resources Department</td>
<td>Posts position and sources recruits</td>
<td>Identifies minimally qualified candidates</td>
</tr>
<tr>
<td>Conducts job analysis if needed</td>
<td></td>
<td>Identifies finalists</td>
</tr>
<tr>
<td>Hiring Manager</td>
<td>Determines need for position</td>
<td>Secures job requisition</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Interview finalists</td>
</tr>
</tbody>
</table>

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Seven Components of Strategic Staffing

**TABLE 1-1** Seven Components of Strategic Staffing

1. **Workforce Planning**: strategically evaluating the company’s current lines of business, new businesses it will be getting into, businesses it will be leaving, and the gaps between the current skills in the organization and the skills it will need to execute its business strategy
2. **Sourcing Talent**: locating qualified individuals and labor markets from which to recruit
3. **Recruiting Talent**: making decisions and engaging in practices that affect either the number or types of individuals willing to apply for and accept job offers
4. **Selecting Talent**: assessing job candidates and deciding who to hire
5. **Acquiring Talent**: putting together job offers that appeal to chosen candidates, and persuading job offer recipients to accept those job offers
6. **Deploying Talent**: assigning people to appropriate jobs and roles in the organization to best utilize their talents
7. **Retaining Talent**: keeping successful employees engaged and committed to the firm
Workforce Planning

*Definition*: The process of predicting an organization’s future employment needs, and the availability of current employees and external hires to meet those employment needs, and execute the organization’s business strategy.

- Usually involves both, the hiring manager and a staffing specialist.
- Can be *short-term* and focus on an immediate hiring need.
- Can be *long-term* and focus on the organization’s needs in the future. Workforce planning is better strategically the more it addresses both the firm’s short- and long-term needs.
Sourcing and Recruiting Talent

**Sourcing**: locating qualified individuals and labor markets from which to recruit.

**Recruiting**: all organizational practices and decisions that affect either the number or types of individuals willing to apply for and accept job offers.

Sourcing identifies people who would be good recruits. Recruiting activities entice them to apply to the organization and accept job offers, if extended.
Selecting and Acquiring Talent

Selecting: assessing job candidates and deciding whom to hire.
- Operates in a strong legal context.

Acquiring: involves putting together job offers that appeal to chosen candidates, and persuading job offer recipients to accept those job offers and to join the organization.
- Negotiations usually result in employment contracts.
Deploying Talent

*Deploying*: assigning talent to appropriate jobs and roles in the organization.

- *Succession planning* and *career development* enhance deployment options.

*Socializing*: the process of familiarizing newly hired and promoted employees with their job, workgroup, and organization as a whole.
Retaining Talent

- Succession management and career development are effective tools.
- Turnover of high performers can be expensive.
- Turnover of low performers can be beneficial.
- Retention saves money in recruiting and hiring replacements for those leaving.
Matchmaking Process

- 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.

- Applicants and organizations choose each other.

- Recruitment continues until the person is no longer a viable job candidate, or until a job offer is accepted and the person reports for work.

- Some firms continuously “recruit” current employees to maintain their attractiveness as an employer and enhance retention.
Staffing Goals

Process Goals—during the hiring process

- Attracting sufficient numbers of appropriately qualified applicants
- Complying with the law and organizational policies
- Fulfilling any affirmative action obligations
- Meeting hiring timeline goals
- Staffing efficiently
Staffing Goals

Outcome Goals—after hire

- Hiring successful employees
- Hiring individuals who will be eventually promoted
- Reducing turnover rates among high performers
- Hiring individuals for whom the other HR functions will have the desired impact
- Meeting stakeholder needs
- Maximizing the financial return on the firm’s staffing investment
- Enhancing employee diversity
- Enabling organization flexibility
- Enhancing business strategy execution
Staffing Goals

- Should be aligned with improving the *strategic performance* of the staffing system.

- The primary staffing goal is to match the competencies, styles, values, and traits of job candidates with the requirements of the organization and its jobs.

- Strategic staffing goes even further and enables the organization to better execute its business strategy and attain its business goals.

- Staffing goals should be consistent with the goals and needs of all stakeholders in the staffing process, including applicants and hiring managers.
Questions to Ask in Setting Staffing Goals

<table>
<thead>
<tr>
<th>TABLE 1-3 Questions to Ask When Setting Staffing Goals</th>
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<tbody>
<tr>
<td>• Is it more important to fill the position quickly or fill it with someone who closely matches a particular talent profile?</td>
</tr>
<tr>
<td>• What levels of which competencies, styles, values, and traits are really needed for job success and to execute the business strategy?</td>
</tr>
<tr>
<td>• What is the business’s strategy and what types of people will it need 1, 5, and 10 years from now?</td>
</tr>
<tr>
<td>• What talents must new hires possess rather than be trained to develop?</td>
</tr>
<tr>
<td>• What are the organization’s long-term talent needs? Is it important for the person hired to have the potential to assume leadership roles in the future?</td>
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Integration With Other Areas of HR

- Training
- Performance management
- Compensation
- Succession planning
- Career development

Recruitment impacts selection activities and the likelihood of successfully identifying good hires
Internet Staffing Resources

- The Equal Employment Opportunity Commission (www.eeoc.gov)
- Electronic Recruiting Exchange (www.ere.net)
- Human Resource Planning Society (http://hrps.org)
- O*Net Center (http://online.onetcenter.org)
- Society for Human Resource Management (www.shrm.org)
- Staffing.org
- World at Work (www.worldatwork.org)
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?

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.

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

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?

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

- Working alone for five minutes, take notes about how you might design a staffing plan for your own job. If you have no work experience, choose a job with which you are familiar.

- Next, form a group of 3-4 students, choose one job, and design a staffing plan for it. Be prepared to share your ideas with the class.
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. Be prepared to share your ideas with the class.
Opening Vignette Exercise

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

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

a) Identify realistic long-term and short-term staffing process and outcome goals for Chern’s.

b) Ensure your goals are related to Chern’s business strategy and explain why each is important.
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