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**CHAPTER 1: Staffing Models and Strategy**

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**Chapter Outline**

**Learning Objectives and Introduction**

Learning Objectives

Introduction

**The Nature of Staffing**

The Big Picture

Definition of Staffing

Implications of Definition

Staffing System Examples

**Staffing Models**

Staffing Quantity: Levels

Staffing Quality: Person/Job Match

Staffing Quality: Person/Organization Match

Staffing System Components

Staffing Organizations

**Staffing Strategy**

Staffing Levels

Staffing Quality

**Learning Objectives**

* Define staffing and consider how, in the big picture, staffing decisions matter
* Review the five staffing models presented, and consider the advantages and disadvantages of each
* •Consider the staffing system components and how they fit into the plan for the book
* •Understand the staffing organizations model and how its various components fit into the plan for the book
* •Appreciate the importance of staffing strategy, and review the 13 decisions that staffing strategy requires
* •Realize the importance of ethics in staffing, and learn how ethical staffing practice is established

**Additional Prompts for Discussion Questions**

**1. What are potential problems with having a staffing process in which vacancies were filled (1) on a lottery basis from among job applicants, or (2) on a first come-first hired basis among job applicants?**

* The main point here is that a staffing process which was based on either a lottery or a first come-first hired basis would have a very low probability of being “effective” (i.e., achieving desired HR outcomes such as employee attraction, performance, and retention).
* The reason that a lottery or first come-first hired type of staffing system would most likely fail to achieve the desired HR outcomes is because of the person/job match which is so central to the staffing process.
* Effective staffing processes use a variety of methods to maximize the probability of achieving a good “match” between a person’s KSAOs and motivations and a job’s requirements and rewards.
* Both the lottery and first come-first hired approaches would leave the person/job match to chance. It would still be possible to obtain a good person/job match using either of these two approaches, but it would be much less likely to occur.

**2. Why is it important for the organization to view all components of staffing (recruitment, selection, employment) from the perspective of the job applicant?**

* Organizations obviously would like to be successful in their staffing activities. That is, they would like to hire people whose KSAOs and motivations match job requirements and rewards.
* For organizations to be successful in their staffing activities, they must first acknowledge that staffing involves two parties--the organization and the job applicant. This means that organizations cannot predict or control all aspects of the staffing process.
* Perceptions of those people within an organization who are responsible for staffing may be very different than the perceptions of people who actually apply for job openings with that company. This further emphasizes the importance of determining how job applicants view an organization’s staffing process.
* Suppose that an organization’s job offers were being consistently rejected by top-notch job candidates who decided to accept offers from other firms; it would then be important for the organization to understand why it wasn’t successful in hiring its best job applicants. The only way to determine exactly what the root causes of the problem are, is to understand how job applicants perceive an organization’s staffing process.
* Organizations need to acknowledge that they have many internal and external “customers” who are impacted in various ways by the organization’s processes such as customer service.

**3. Would it be desirable to hire people only according to the person/organization match, ignoring the person/job match?**

* One important objective of staffing must be to match an individual’s KSAOs and motivations with a job’s requirements and rewards.
* This is not to say that the person/organization match is not important. It is also important that an individual is compatible with an-organization’s culture.
* However, hiring people based only on their compatibility with the organization would likely result in hiring people who are comfortable with the organization’s way of thinking and doing things, but whose KSAOs and motivations do not match the job’s requirements and rewards.
* It should also be noted that measuring person/organization match is notoriously difficult, whereas measuring person/job match is significantly more straightforward. Many existing measurement tools can assess performance capabilities.

**4. What are examples of how staffing activities influenced by training or compensation activities?**

* HR functional activities such as staffing, training and compensation are highly interrelated. For example, the types of training programs which are offered to the workforce in a given firm shape the types of KSAOs which they possess.
* The gaps in KSAOs which eventually occur due to the impact of external influences such as labor markets and economic conditions often result in an organizational need to hire someone who can fill the KSAO gap. This is the focus of the staffing process.
* Compensation activities determine the salary ranges and benefit packages associated with various jobs within an organization. When it comes to the staffing process, the salary range and benefits will significantly affect an organization’s ability to attract and hire appropriate people for various job openings.
* For example, if the salary range defined for a given job is significantly below the average salary paid by competing firms, then this will probably make it more difficult to hire good people for that job. Conversely, if an organization provides flexible work schedules as part of its benefit package, this may be used as a selling point for an organization, particularly if the people being recruited have a strong need for flexibility in their work schedules.

**5. Are some of the thirteen strategic staffing decisions more important than others? If so, which ones? Why?**

* It would be hard to argue that certain staffing decisions are universally more important than others. All are important considerations in the formulation and implementation of a comprehensive staffing strategy.
* However, certain situations may be associated with certain strategic staffing decisions being particularly important. Encourage students to think about when and where different factors are important.
* For example, if an organization needs to maximize its flexibility, then the strategic staffing decision involving the core vs. flexible workforce would be especially critical.
* If an organization wants to enhance employee retention, then the external vs. internal hiring strategic staffing decision will be of greater concern.
* The need for an exceptional workforce will be especially high for organizations that compete based on the quality of their goods and services, whereas this will not be especially important for an organization that mostly differentiates itself based on price.

**Sample Answers for Ethical Issues**

**Issue 1**

**Assume that you are either the staffing professional in the department or the hiring manager of a work unit. Explain why it is so important to represent the organization’s interests (see Exhibit 1.8). What are some possible consequences of not doing so?**

A staffing function that fails to meet the organization’s overall needs will result in the potential loss of revenue for shareholders, decreased availability of capital for future operations, and ultimately puts employee job security and well-being at risk. Corporations that have a strong, effective human resources department that has responded well to organizational needs will be in a better position to provide protection to employee jobs in uncertain financial times as well.

**Issue 2**

**One of the strategic staffing choices is whether to pursue workforce diversity actively or passively. First suggest some ethical reasons for the active pursuit of diversity, and then suggest some ethical reasons for a more passive approach. Assume the type of diversity in question is increasing workforce representation of women and ethnic minorities.**

An active pursuit of diversity will help an organization ensure that they are adequately staffing across all demographic categories, and sends a strong message to managers in charge of hiring that the status quo is not satisfactory. However, a passive approach also has advantages, because it is seen as more fair by members of majority groups and reduces concerns that individuals from minority groups will be perceived as “tokens” or undeserving of their status within the organization.

**Sample Answers for Applications**

**1. Application #1: Staffing for Your Own Job**

**A. Applicant Perspective**

**Job Applied For: Marketing Researcher Position in a Private Sector Firm**

Recruitment

The job first became known to the applicant when casually reading the Sunday newspaper. The job was of interest to the applicant because it appeared to fit her KSAOs (e.g., strong statistics background and knowledge of research design). The applicant made herself appear attractive to the organization by sending all the requested materials to the employer immediately and drafting a cover letter which discussed the link between her KSAOs and the job requirements stated in the newspaper advertisement.

Selection

The applicant obtained information about the job’s requirements and rewards from reading the job description and asking detailed questions in the interview.

Employment

The applicant decided to continue with the staffing process to its conclusion because no other job opportunities existed at that time. The applicant decided to accept the offer because the company had a good reputation, the compensation package was competitive and taking the job would enable the applicant and her family to settle in a very desirable geographic location.

The pluses of the job were that the work environment was supportive and friendly and the benefits package included child care. The minuses of the job were that there was no opportunity to move up in the company and the company was rumored to be on the verge of announcing significant work force reductions.

**B. Organization Perspective**

Recruitment

The organization identified the job applicant through a newspaper advertisement in a local newspaper. The organization made the job attractive by listing the job requirements and rewards associated with the job.

Selection

The organization asked the applicant to develop a written research proposal dealing with a hypothetical issue. The applicant was asked to bring the proposal to the interview. The organization conducted two interviews with the applicant--one with an HR representative, the other with the director of the research department.

The organization evaluated this information by having the HR representative and the research director compare notes on their evaluations of the job applicant. In addition, the research director consulted with the vice-president who oversaw the research area. Finally, the job applicant’s three references were called to obtain additional information.

The research director was impressed with the job applicant and did not see any weaknesses except for a lack of experience in the company’s industry.

Employment

The organization continued to pursue the job applicant because she was the best candidate out of the eight people on the “short list” at that time. When the job offer was made, the research director called the job applicant. A written confirmation of the job offer was sent from the company a few days later.

**C. Reactions to the Sample Staffing Process**

Likes

1. A wide range of information was collected regarding the applicant’s KSAOs.

2. Interviewers were very professional and established rapport well with the applicant.

3. Interview questions were behavioral in nature; they asked people to describe specific situations and explain how they handled it.

4. Informative company information was sent to the applicant before the interview.

Dislikes

1. Interviews were excessively lengthy.

2. Job description did not accurately describe job requirements

3. There was no opportunity to meet with other staff members in the research department.

Recommended Changes

1. Revise job description to more accurately describe job requirements.

2. Shorten interviews from 90 minutes to 60 minutes.

3. Conduct peer interviews.

**2.**

**Application #2: Staffing Strategy for a New Plant**

**1. What geographic location might be best for the plant in terms of attracting sufficient quantity and quality of labor, especially for the key jobs?**

Given that the organization needs to control costs but that is also needs access to sufficient quantity and quality of labor, management should consider geographic locations which possess strong educational systems (i.e., primary, secondary, and technical schools and colleges and universities) and lower expenses. More densely populated areas are likely to have more potential qualified job applicants, but this also requires considering the number of potential competitors who will also be seeking applicants.

**2. Should the plant manager come from inside the current managerial ranks or be sought from the outside?**

This scenario does not lend itself to an easy answer; it’s usually better to consider a variety of candidates internally and externally before deciding which approach is best. Since there is a strong need to develop a new type of workforce with new knowledge and skills, strong leadership is needed to support the new strategic focus on creating more stylish and innovative products. A trusted and respected internal employee who knows the business and can build an effective team could be the most appropriate candidate for the plant manager if an individual who is able to embrace the change can be found internally. On the other hand, because change is needed, an external manager could be effective in communicating and implementing the change. Outside managers will only be effective if employees trust the organization to make an appropriate choice and the organization supports this new leader in his or her role over time.

**3. Should staffing be based on just the person/job match or also on the person/organization match?**

Both the person/job match and person/organization match are critical in order to ensure that effective staffing decisions are made. The person/job match will establish a good fit between the requirements of a job and the KSAOs of a given individual. However, in order for this person to be successful, it is also critical that the employee's value system and style are compatible with the culture of the organization. Without good person/organization fit, an individual who is highly qualified for a job may not perform well because his/her approach to performing the job is not compatible with the way in which the organization functions.

**4. Would it make sense to staff the plant initially with a flexible workforce by using temporary employees and then shift over to a core workforce if it looks like the plant will be successful?**

In order to achieve the stability needed to make the new plant successful, it would be advisable to staff the key positions with a core workforce approach (i.e., make them regular employees), but to staff non-key jobs with a flexible workforce in order to minimize costs and to vary staffing levels based on fluctuations in demand for the company's products. This approach will ensure that stability is achieved for the key positions and flexibility is obtained for non-key positions within the plant.

**5. In the early stages should the plant be fully staffed, understaffed, or overstaffed?**

It would appear that understaffing the plant would make sense as an initial strategy. The rationale for this is that keeping the plant understaffed will help to minimize costs and to keep the staff as lean as possible. If the demand for the company's products grows to the point that additional staff is needed, the plant could then either hire new employees or require existing employees to work overtime. It should be noted that this strategy is based on the assumption that adequate quantity and quality of labor is available in the external labor market, in particular.

**6. Will employee retention be a problem, and if so, how would this affect the viability of the new plant?**

The low pay and benefits associated with some of the key jobs in the plant suggests that retention of employees could be a major problem. Low employee retention could cause instability in the new plant that could result in quality problems on the production lines and diminished creativity among the members of the teams in the plant (e.g., product designers). It could even increase the cost of doing business due to the ongoing need to train new employees.

**7. What are some of the ethical issues surrounding and confronting the formation of the staffing strategy? What are the potential pressures? How can these ethical issues be addressed??**

The relatively high scheduling demands and low level of security for employees will need to be considered relative to the jobs being offered. If there is an operational need for such conditions, employees should be made aware of them in advance so they can make an informed decision before taking the job. A temporary workforce will be aware of these working conditions in advance, and so may be preferable from an ethical perspective. Applicant evaluations should emphasize qualifications. Strong policies that facilitate accuracy and minimize bias will need to be in place. Staffing plans do need to respond to organizational effectiveness because staffing managers have an ethical responsibility to support the organization’s ability to meet its goals.