

Strategic Staffing

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Week Six

Lecture 5



Learning Outcome

01

Understand the strategic issues associated with recruiting employees

02

Understand the relative advantages of the various means of assessing job candidates

03

Gain an awareness of the legal, economic, social, and political ramifications of foreign workers

04

Describe the processes of employment branding and candidate relationship management and the benefits they provide to employers

Strategic Staffing

Staffing decisions impact success: Choosing the right people is crucial for an organization's performance. Poor hiring choices can lead to high turnover and significant costs.

Strategic staffing matters: Organizations need to consider various factors like company culture, job types, and industry trends when developing their staffing strategy.

Service sector focus: In service industries with high turnover and skill requirements, strategic staffing is even more important to attract and retain qualified employees.

Beyond skills: While technical skills are necessary, a good fit with the company culture is essential for high performance

Kroger Supermarkets: Streamlining Strategic Staffing

Introduction:

Kroger Co., the nation's largest supermarket chain, employs over 200,000 people across 1,400 stores.

Challenge:

- Kroger faced difficulties in hiring and retaining qualified customer service employees.
- Their traditional interview process was time-consuming and resource-intensive.
- They needed a more efficient and cost-effective hiring system.



Kroger Supermarkets: Streamlining Strategic Staffing

Solution:

- Kroger developed a computer-based, self-administered employee selection system.
- This system used a customer survey to create an "employability index" that evaluated applicants' skills and attitudes relevant to customer service.
- The online, interactive interview provided a recommendation on whether to offer a job.
- This approach aimed to improve both effectiveness (hiring the right people) and efficiency (reducing time and costs).



Pros and cons of using temporary vs. permanent employees.

Temporary Employees:

Pros: More flexible for employers, lower cost during slow periods, staffing agencies handle some HR burdens.

Cons: Often cost more per hour than permanent staff, no benefits, potential legal issues around employee classification.

The use of temporary workers is on the rise, with entire industries dedicated to them.

St. Peter's Health Care: Solving Nurse Shortage with Online Bidding

Problem: St. Peter's Health Care, like many hospitals, faced a critical shortage of qualified nurses. Hiring temporary nurses from agencies was expensive and they lacked familiarity with the hospital's procedures.

Solution: St. Peter's launched an innovative online bidding system.

Who can participate: Any qualified nurse, existing employee or approved for work at the hospital.

The bidding process: Nurses submit bids specifying their desired hourly rate for open shifts.

Manager's role: Nurse managers have the final say to accept or reject bids.

Flexibility: Rejected nurses can re-bid at a lower rate.



St. Peter's Health Care: Solving Nurse Shortage with Online Bidding

Benefits:

- **Cost savings:** The system filled shifts at an average of \$37/hour compared to \$54/hour for agency nurses, saving significant money.
- **Increased staff retention:** Nurse turnover dropped from 11% to below 5% annually.
- **Improved satisfaction:** Both patients and staff reported higher satisfaction levels.



When and How Extensively to Recruit

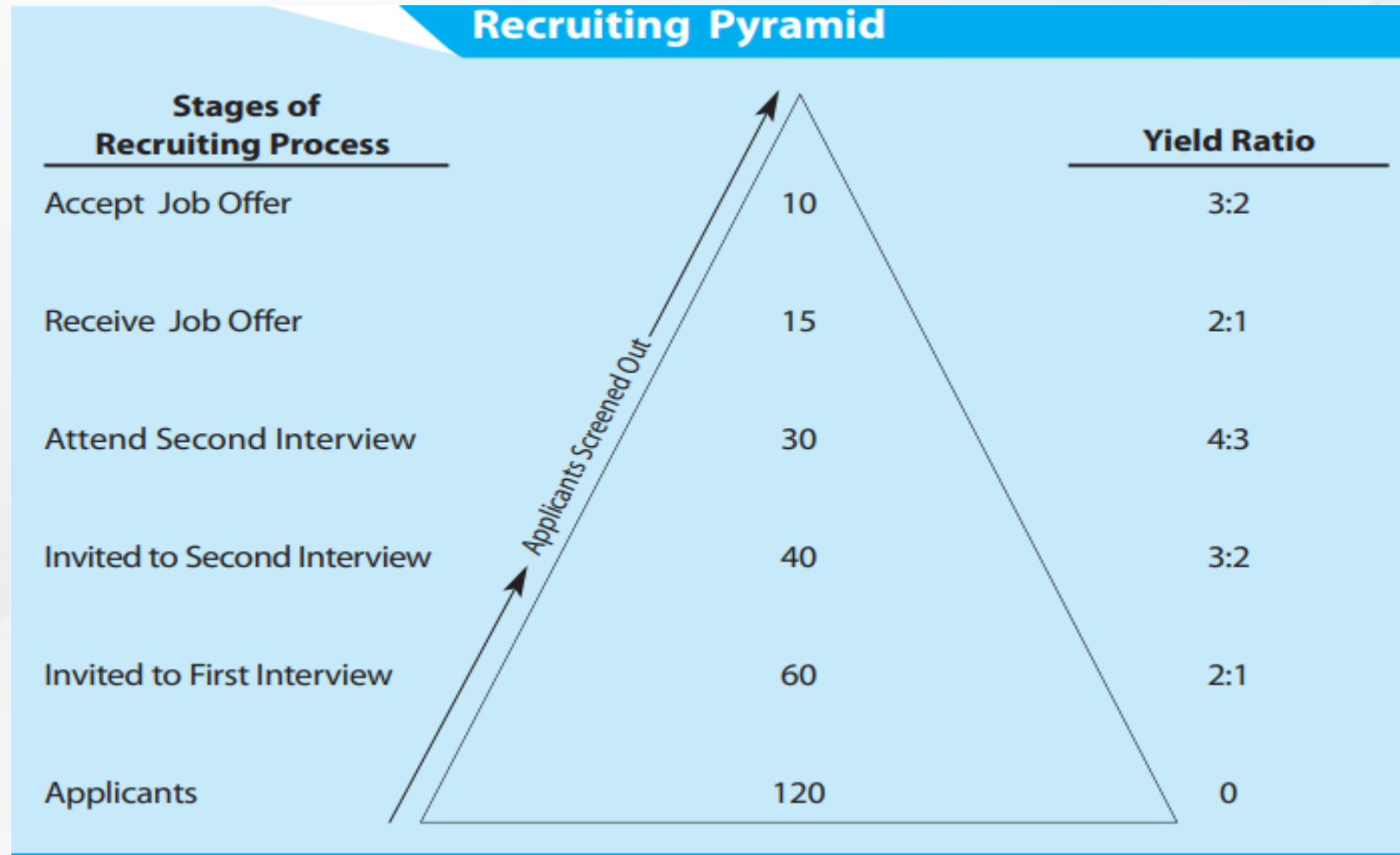
Strategic Planning is Crucial: Effective recruitment requires data-driven planning to ensure you have the right people at the right time.

Key Planning Considerations:

Applicant Pool Size: Analyze past recruitment data to estimate how many applicants you need to attract a specific number of qualified hires. This can be visualized using a "recruiting pyramid" that shows the drop-off rate at each stage of the hiring process.

Recruiting Timeline: Use past timelines to determine when to start recruiting to have new hires ready when needed. Consider working backward from the desired start date for new employees.

When and How Extensively to Recruit



Recruitment Methods

Internal Recruiting:

Small Organizations: Often informal, positions filled by word-of-mouth or supervisor selection.

Large Organizations: Formal job postings on physical or online bulletin boards.
Feedback for non-selected applicants can minimize morale issues.

HR information systems can identify qualified internal candidates based on skills

Recruitment Methods

External Recruiting:

Informal: Through friends and acquaintances (mostly for small businesses and executive positions).

Many advertised positions may already have a preferred candidate, with applications creating a pool for show.

Targeted Advertising: **In selected media (larger organizations).**

Ads should be accurate, specific, and informative.

Consider the audience beyond potential applicants (competitors, employees, investors).

Internal vs. External Recruitment

Type of Recruiting	Advantages	Disadvantages
Internal	• Leverage existing performance data on employees • Motivate employees with promotion opportunities • Reduce training and socialization time • Faster and less expensive than external recruiting • May lead to productivity gains	• Can become political and competitive • May diminish morale of non-selected employees • Can lead to inbreeding and hinder change • May create inefficiency by causing multiple vacancies

Internal vs. External Recruitment

Type of Recruiting	Advantages	Disadvantages
External	• Facilitate change and innovation • Expand knowledge base and bring new ideas • Attract senior candidates with change experience	• Can be expensive and time-consuming • Requires longer socialization period for new hires • Unknown fit with company culture and potential for failure • Can negatively impact morale of internal applicants

Capital One's Call Center Staffing Success with IBS

Challenge: Capital One, a giant in the credit card industry, needed a better way to staff its call centers. With a high volume of hires (3,000 annually) and a focus on customer service, they needed to find the best people and keep them.

Solution: Capital One developed its own Information-Based Strategy (IBS) for call center staffing.

Key Features of IBS:

- **Applicant Screening:** Uses a database with targeted questions to identify suitable candidates.
- **Assessment Center:** Qualified applicants undergo computer-based tests and simulations to assess skills.

Capital One's Call Center Staffing Success with IBS

Benefits of IBS:

- **Faster Hiring:** Reduced time-to-hire by 52%, allowing Capital One to fill positions quickly.
- **Better Quality Hires:** Increased hiring efficiency by 71%, leading to better customer service.
- **Improved Productivity:** Increased calls handled per hour by 12% and sales closed by 36%.
- **Reduced Turnover:** Decreased involuntary attrition by 75% in the first six months.



Internal vs. External Recruitment

Internal recruiting is a good choice when

- The organization is stable and faces few external threats.
- The organization is looking to maintain the status quo.
- Time or money is limited.

External recruiting is a good choice when

- The organization needs to change or innovate.
- The organization needs new knowledge or fresh perspectives.
- The organization is looking for senior-level candidates with change experience.

Cisco Systems: Boosting Recruitment with Internal Talent Pool

Company: Cisco Systems, Inc. (San Jose, CA) - Networking equipment designer and manufacturer.

Challenge: Meeting constant staffing needs for a global technology company with over 65,000 employees.

Solution: Talent Connection Program:

Identifies qualified internal employees who might not actively seek new positions.

Encourages employees to create online profiles showcasing their skills and experience.

Recruiters utilize these profiles to find suitable internal candidates for open positions.



Cisco Systems: Boosting Recruitment with Internal Talent Pool

Benefits:

- Increased use of internal talent pool (50% of employees registered).
- Reduced recruiting costs (saved millions in search fees and other expenses).
- Improved employee engagement and loyalty (feeling valued within the company).



Recruitment Methods- **Internet Recruiting**

Fastest-growing method (over 70% of HR professionals use it).

- More cost-effective than newspaper ads, good for targeting specific skills.
- Job seekers use it extensively (75% of students surveyed).
- User-friendly and informative company websites are crucial to attract applicants.

Pros:

- **Global Reach:** Attract candidates with specific languages or cultural backgrounds.
- **Target Passive Candidates:** Reach those not actively searching for a new job.
- **Cost-Effective:** More affordable than traditional advertising.
- **Faster Process:** Reduce search time by up to 75%.
- **Applicant Screening:** Use technology to process large numbers of applications.
- **Employer Branding:** Create a positive online image to attract talent.

Recruitment Methods- **Internet Recruiting**

Cons:

Security Risks: Protect against viruses and unauthorized website access.

Disparate Impact: May exclude qualified candidates from protected groups.

Data Reporting Challenges: Difficulties in tracking and reporting applicant data.

Key Takeaways:

Internet recruiting is popular but requires careful planning to address potential challenges.

Employers should consider how their online strategies match job seeker behavior.

External Recruitment Methods

Employee Referral Programs: Companies can incentivize existing staff to recommend qualified candidates, leveraging their network.

Staffing Agencies: These agencies specialize in finding and pre-screening applicants, saving employers time and resources.

State Job Service Agencies: These government agencies connect employers with job seekers registered for unemployment benefits.

External Recruitment Methods- Contd.

Executive Search Firms: These specialized agencies assist in filling senior-level positions with a focus on confidentiality and industry expertise. However, their success rates can be low, and they may prioritize lateral moves over promotions.

College Recruiting: This approach allows companies to target a large pool of qualified graduates quickly but can involve screening many applicants with limited experience.

Co-op and Internship Programs: These programs offer a trial period for both employer and student. Employers can gain an advantage recruiting interns for permanent roles, while students acquire valuable work experience. However, legal considerations regarding minimum wage and age discrimination apply.

Importance of reliable and valid selection methods

Careful Selection is Crucial: Decisions about who to hire have significant consequences, so methods used to assess applicants need to be reliable and valid.

Understanding Reliability and Validity:

Reliability: Consistency of the measurement. Ideally, the same results would occur across different assessments (e.g., same test score on retries, similar interview evaluations).

Factors impacting reliability: personal issues, different evaluators' biases.

Low reliability can indicate missing assessment factors (deficiency error) or irrelevant influences (contamination error).

Key Interview Decisions

Who to involve: Consider supervisors, peers, subordinates, or even customers (for service industries) to gain diverse perspectives. Interviewers should be chosen from a variety of backgrounds.

Interview format: Individual interviews allow for a more personal experience, while group interviews can save time but make it harder to assess interpersonal skills.

Avoiding Interviewer Biases

Common Biases:

- Similarity error (favoring similar applicants).
- Contrast error (comparing applicants to each other instead of set criteria).
- First impression error (rushing to a judgment).
- Halo error (letting one trait overshadow others).
- Biases based on race, gender, etc. (not job-related).

Mitigating Bias:

- Group interviews can help reduce individual biases through comparison and discussion.
- Behavioral interviewing focuses on specific job-related behaviors, minimizing bias based on irrelevant factors.

Interview Structure

Structured Interviews: Follow a set protocol with identical questions for all applicants (easier to compare responses and reduces legal risk, but less flexible).

Unstructured Interviews: Spontaneous conversations with no predetermined questions (allows for a better understanding of the applicant as a person, but makes comparisons difficult).

Semi-structured Interviews: A mix of both, with standard questions asked but flexibility to probe for specifics (balances consistency with adaptability).

Behavioral Interviewing

This technique focuses on how applicants would behave in specific situations relevant to the job.

It can be used with both experienced and inexperienced applicants.

Here's how it works:

- Identify key behavioral characteristics needed for the job.

- Ask questions about past situations that demonstrate these behaviors.

- Examples: "Describe a time you faced a challenge..." or "What did you enjoy/dislike about a past situation?"

Reference checking in the selection process:

Current Practices (considered Ineffective):

Employers rely on applicant-provided references, who are unlikely to give negative feedback. No further investigation beyond these references is conducted.

Better Practices for Reference Checking:

Contact references beyond those provided by the applicant.

Ask for additional contacts within or outside the applicant's former organization.

Leverage professional networks to gather confidential information.

Shifting Trends:

Reference checks are increasingly done earlier in the selection process to eliminate unsuitable candidates.

Overcoming Challenges:

A well-established professional network can be a valuable resource for confidential insights.

Reference checking in the selection process

Social Media Screening:

Increasingly used by employers (over 45% of recruiters check social media).

Potential Risks:

- Uncovering info about protected classes (e.g., race, religion) that shouldn't be considered.

- Biasing decisions based on irrelevant personal information or hobbies.

international assignments and staffing:

Challenges of International Assignments

Traditional focus on technical skills overlooks the importance of cultural adaptation (for both employee and family).

Lack of adaptation can lead to problems with performance, relationships, and early return home.

New Selection Criteria:

Assessing adaptability, open-mindedness, tolerance for ambiguity, and independence.

Interviewing and screening family members who will be accompanying the employee.

Global Staffing in a Diverse Workforce:

Increased focus on assessing an individual's ability to function in multicultural environments.

Assessment tools measure adaptability, cultural sensitivity, and values.

Useful for both international assignments and domestic roles with global interactions.

New trends in staffing

- 1- Employment Branding**
- 2- Targeting Customers and Re-hire formal employees**
- 3- The growing importance of Culture fit.**

New trends in staffing: Employment Branding

1- Employment Branding

Similar to product branding, organizations are creating an image of themselves as an attractive employer.

This involves promoting aspects valued by current and potential employees, like:

- Advancement opportunities
- Competitive pay
- Flexible work arrangements
- Prestigious reputation
- Social responsibility

The goal is to be seen as the "employer of choice" for a specific talent pool.

New trends in staffing

Building an Employment Brand:

Self-evaluation: Assess strengths as an employer through employee surveys and applicant cover letters.

Target Audience: Identify the desired applicant pool and any gaps in attracting them.

Crafting the Message: Develop a clear communication strategy highlighting the organization's unique value proposition for employees.

Consistency is Key: Ensure the company culture, mission, and practices align with the promoted employer brand.

Culture Matters: A positive and well-communicated culture is a key aspect of employment branding.

New trends in staffing

Candidate Relationship Management (CRM)

Creates a talent pipeline of interested and qualified candidates.

Helps fill future job openings quickly with a pre-qualified pool.

Enhances employer image and attracts strong candidates even when positions aren't available immediately.

CRM Activities:

Building and maintaining a database of potential candidates.

Regularly communicating with candidates through emails, newsletters, blogs, etc.

Keeping the organization at the forefront of candidates' minds.

New trends in staffing

Benefits of Strong Employment Branding:

- Higher employee retention rates
- Lower recruitment costs
- Improved company image

Candidate relationship management (CRM) in staffing:

- Similar to customer relationship management, CRM focuses on building and maintaining relationships with potential employees.
- It goes beyond the current hiring process and aims for long-term engagement.

New trends in staffing

Benefits of CRM:

Cost-effective way to attract and retain talent.

Saves time and money during the recruitment process by having a pre-qualified pool.

unconventional recruitment through CRM:

CRM and Public Relations:

A negative application experience can damage an organization's reputation and lead to lost customers (8% of unhappy applicants boycott the company).

CRM requires treating all applicants with respect throughout the process, even those who aren't hired.

New trends in staffing- Targeting Customers and Re-hire formal employees

Beyond Traditional Applicant Pools:

CRM goes further than just attracting current and potential applicants. It looks for qualified candidates in unexpected places.

Targeting Customers:

Customers can be a valuable source of high-quality and enthusiastic employees who already understand the organization's offerings.

This can increase both the number and quality of applicants.

New trends in staffing- Targeting Customers and Re-hire formal employees

Re-hiring Former Employees:

With the shift towards shorter employment tenures, former employees are becoming a viable recruitment target.

Advantages:

- Existing knowledge of the organization's products, services, culture, and market.
- Lower recruiting costs and faster hiring due to familiarity.
- Potentially higher productivity due to loyalty and re-employment goodwill.
- Higher retention rates compared to new hires.
- Recovers some training and development costs invested previously.
- Benefits from any new skills the former employee acquired elsewhere.

Overall, CRM helps build a talent pool by considering unconventional sources like customers and former employees.

Whirlpool: Transforming Recruitment into Brand Advocacy

Whirlpool, a major home appliance manufacturer, views candidate recruitment as a chance to **build both its employer brand and customer loyalty**.

Their **Exceptional Candidate Experience (ECE)** program offers a positive experience to all applicants, regardless of the hiring decision. This creates a win-win situation:

Candidates: Receive a positive experience, potentially becoming brand loyal customers.

Whirlpool: Attracts top talent and builds brand advocates who promote the company and its products.



Whirlpool: Transforming Recruitment into Brand Advocacy

The ECE program has three stages:

- **Initial Contact:** Creates a positive first impression through consistent, positive messaging about Whirlpool and its products.
- **Candidate Engagement:** Ensures all applicants feel valued during the interview process. This includes gifts of Whirlpool products as a thank you for their time.
- **Candidate Closing:** Maintains a positive relationship with all applicants, even those not offered a job. Whirlpool understands that top talent has many options, and they want to remain a brand those candidates consider favorably.



New trends in staffing: The Importance of Cultural Fit

More employers are using assessments to find candidates who are a good fit with the company culture.

Fit is considered more important than skills or communication for retention (reduced turnover saves money).

Examples of cultural fit assessments:

- Hypothetical questions (e.g., "What superhero are you?")

- Spending time with potential co-workers

Benefits of assessing fit:

- Reduces chance of hiring someone who won't mesh with the team.

- Allows candidates to self-select out if the culture isn't a good fit.

Drawbacks of assessing fit:

- May overlook highly skilled candidates who aren't a perfect fit.

- Can lead to bias towards similar personalities (reducing diversity).

New trends in staffing: The Importance of Cultural Fit

Balancing Fit with Diversity:

- Diverse workforces can be more innovative and profitable.
- It's possible to hire for fit while valuing diversity:
 - Emphasize the importance of diversity in the company culture.
 - Consider how a candidate's unique skills can contribute to the team.
- Avoid overly personal questions that don't relate to the job.

Conclusion

- **Strategic staffing is crucial for organizational success**
 - Poor hiring choices can lead to high turnover and costs
- Organizations must carefully consider **various factors when developing staffing strategy**
 - Company culture, job requirements, industry trends
- **Weighing temporary vs. permanent staffing options** is essential
 - Temporary workers offer flexibility but lack benefits
 - Legal implications must be assessed
- **Internal vs. external recruiting methods** have tradeoffs
 - Internal: Leverage employee data, motivate staff, faster/cheaper
 - External: Facilitate change, bring new ideas, attract senior talent

Conclusion

Strategic recruitment planning is key

- Analyze past data to estimate applicant pool and timeline
- Account for changes in job market

Diverse recruiting techniques are available

- Employee referrals, job fairs, internet recruiting
- Internet offers broad reach but carries challenges

Overall, a thoughtful, data-driven staffing approach is crucial

- Attract and retain the right talent to drive organizational performance

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Thank You