



TenStep Supplemental Paper

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Companies Should Have an Overall Strategy to Guide Staffing Decisions

Think about the many places where decisions on staff come into play. You have many managers at many levels who are all thinking about whether they have too much (or too little) work for their staff, what training they should provide, whether they should hire employees or contractors, etc. These can be project managers and team leaders, department managers, directors or the CIO. Hiring decisions are sometimes more complex than they once were. Not only do you have to think about whether you want an employee or a contractor, you also need to think about offshore options, diversity, legal obligations, etc. Once the person is brought in, you also need to think about skills development, morale, retention, and the work environment.

Have you ever thought about how an organization makes staffing decisions? The ones that have the most difficulty tend to make decisions on a case-by-case basis. These companies make staffing decisions based on what makes sense for their particular situation or for a particular team. While this might initially seem sound, you know that there can be a difference between what makes most sense for an individual manager and what makes most sense for the entire organization. For instance, a manager may need someone to fill an opening. The manager may think that a contract resource will be required since the need may not be long-term. That might be the best decision for that manager. However, the company may have projects ending in other areas and people becoming available who need to be reassigned. So, from a company perspective, perhaps the best course of action was to look for an internal transfer, even if the person is not a 100% skill set match.

If everyone makes staff-related decisions based on their individual needs, you typically end up being inefficient from an organization perspective. What you really need is for the senior managers in your organization to develop a Staffing Strategy to provide a framework for dealing with the current staff and new staffing decisions.

The Staffing Strategy

A Staffing Strategy is established at a company or an organizational level. If you asked to see one, you might actually find that your company has a formal document that they could show you. However, as likely as not, you will find that this information is not in a standalone document, but various components of one could exist in various policies and memos.

In general, your Staffing Strategy provides overall guidance on how you deal with staff. This includes how you identify new staff, the types of people you want on your staff, how you will develop them, how you will retain them, etc. The strategy must reflect current realities, but also set the direction for where you want to be in three to five years. To make it real, it must be followed and executed on a daily basis. For instance, if your strategy is to have a diverse workforce, you cannot allow all candidates for new hires to



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fit a narrow sex, race and culture profile. Similarly, if you have a strategy to allow employees to apply for openings first, you cannot allow their current managers to block all internal transfers. The Human Resources Department should provide input into the Staffing Strategy, but it is not up to them to develop it. Once the strategy is developed, Human Resources will also be responsible for building some of the policies and processes to support it.

Staffing Strategy components

The parts to a viable Staffing Strategy include:

Overview. First, talk about any important and relevant conditions in the marketplace and other external factors that must be considered in this strategy. For instance, if you are a government agency trying to attract and retain high-tech workers, comment on this and the challenges that you face

Alignment to Organization Goals and Strategy. The Staffing Strategy does not exist in isolation. It is one part of what is required to achieve your organizational goals and strategies and to fulfill your organization mission. For instance, if you have an organizational strategy to outsource non-essential job functions, your Staffing Strategy must reflect this as well.

Filling Openings. The beginning of the staffing process is identifying candidates to fill openings. Your strategy provides guidance to managers for how candidates should be identified. This does not necessarily imply new hires. Your strategy should start by describing, in general, how you would like to fill staff openings. For example, you could require that all openings be posted internally before a manager looks for outside candidates. If your preference is to fill openings internally, there should be much more mobility in terms of employee transfers.

Staff Balance. In this section, provide guidance as to whether employees or contractors should fill openings. The question is twofold. First, what is the organization's preference in terms of the percentage of contractors versus employees? Second, provide high-level guidance as to what an individual manager should consider when an opening exists. You could mention, for instance, how the decision is affected by the length of the work, the type of work it is, the responsibility level, the confidentiality of the position, etc.

Diversity Goals. Discuss your portfolio's position on diversity. This could be in terms of mandates to the managers, or just guidance. For instance, discuss how important it is that your workforce contains diversity in terms of men and women, and also in terms of race and culture. This diversity policy may, in turn, affect how you identify candidates and how the hiring process works

Retention. Describe your overall retention strategy. This includes the level of turnover you are willing to accept and the lengths that you will go to retain staff. For instance, will you consider counteroffers for your best performers if they decide to leave? Discuss how much management time should be spent on trying to ensure that the staff is happy and challenged.



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Employee Development. Discuss your overall philosophy for developing staff. This includes growth in professional, business and technical skills. Every employee cannot know everything, but this section provides guidance to managers about the emphasis on employee development, how proactive the managers should be, and the responsibility of each employee in their personal development program.

Work Environment. Describe any aspects of the overall work environment that you feel are important from a staffing perspective. Again, you are giving guidance here. You are not describing policies in detail. For instance, you could discuss your organization's tolerance for discrimination and intimidation (none!), your philosophy for how people should be treated, how conflict should be resolved, how managers and employees communicate, etc.

Summary

A Staffing Strategy does not provide any detailed answers as to how managers deal with any specific situation. However, it should provide the overall framework so that managers will find general guidance on all of their staffing questions and staffing needs. The Staffing Strategy typically does not change much from year to year unless there is a major change in how the company is thinking about staffing (for instance, if they are going to outsource work). Each year, however, the Staffing Strategy is driven down to a Staffing Plan. The Staffing Plan does provide specific guidance on open positions, the number of employees and contractors, the training budget, specific retention initiatives, etc. Your organization will be much more effective and efficient if all of these staffing decisions are based on the guidance of an overall Staffing Strategy that ensures everyone is moving in the same direction.