

## DEVELOPING STAFFING STRATEGIES THAT WORK: Implementing Pragmatic, Non-Traditional Approaches

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*(NOTE: Tom Bechet passed away in 2008 after a long battle with cancer. Tom and Ren worked together over 20 years with Tom as the process guru and Ren implementing his visions into software applications. Tom's book "Strategic Staffing: A Comprehensive System for Effective Workforce Planning" is available at the AMA and Amazon)*

Most organizations understand the benefits that a longer term approach to staff planning can bring. Many actually attempt to develop staffing strategies (or strategic workforce plans, as they are also known). Unfortunately, these companies often find that the "traditional" approaches to workforce planning that they try to use are ineffective and expected benefits are not realized. The answer to this problem lies not in trying to implement the traditional approach more effectively, but in implementing a completely different kind of process for strategic staffing. This paper describes (and provides examples of) some of those "less traditional", but more effective approaches.

### The "Strategic Staffing" Process

First, let's clarify our terms. I define "strategic staffing" as the process of identifying and addressing the staffing implications of business plans and strategies. Other call the process "strategic workforce planning", but to me "strategic staffing" emphasizes the longer term, business orientation of the process. By any name, this effort typically includes:

- Defining the number (staffing levels) and types (capabilities) of employees that will be needed at a particular point in the future to implement plans effectively (often including how that staff should be organized and deployed)
- Identifying the staffing resources that are currently available
- Projecting the "supply" of talent that will be available at that point in the future (e.g., factoring in the effects of turnover, retirements, planned movement, etc.)

- Identifying differences between anticipated demand and forecasted supply
- Developing and implementing staffing plans/actions needed to close talent gaps and eliminate surpluses

These basic elements are, of course, quite typical of any strategic staffing or workforce planning process, and might be described in any text or suggested by any consultant. Successful implementation of a strategic staffing process lies not in how these basic steps are defined. The “devil is in the details” – or perhaps more appropriately in this case – the devil is in the implementation. It is not the steps themselves that are important, it is how they are developed and implemented that counts.

### **Traditional Approaches Just Don't Work**

Most organizations that attempt to implement a strategic staffing process follow a fairly traditional approach. Usually, these companies include staff planning as a component of their annual business planning process. Often, these organizations request that managers define future staffing needs for each year of the planning period (usually in terms of headcount, not required capabilities) using a common template or “form”. The templates are at a common level of detail and are based on common planning parameters (e.g., all units define requirements at a job specific level for each of the coming three years). Once completed, these templates are often combined or compiled at various levels to create overall pictures of needs (e.g., unit plans are “rolled up” to a divisional level, divisional plans are compiled to create a “firm wide” view). Staffing plans are then developed to address these needs. Some companies supplement these staffing plans with a series of reports and listings (e.g., a list of openings and how they were filled, a summary of turnover rates over time for various types of employees).

Unfortunately, rarely do these efforts result in specific staffing and development plans that are actually implemented. Managers tend to see limited value in the process and complain loudly about the work involved. Many managers are being measured and rewarded for achieving short term objectives that may be inconsistent with a longer term, more strategic view. Forecasts of needs are often “hockey stick” projections that are not realistic or grounded in business plans. Required staffing levels may be forecast, but required capabilities are not. The staffing plans that do result provide little valuable information and are rarely used to drive staffing decisions. In many cases, the out put from the process is too “high level” and generic to drive recruiting plans, especially once they have been “rolled up” to create that “firm wide” view. Since required capabilities are not usually defined specifically, it is difficult (if not impossible) to create action oriented development plans for

individuals that address anticipated capability shortages. Some organizations focus their “workforce planning” efforts almost solely on reporting and compiling staffing information from the past (e.g., conducting detailed turnover studies and descriptions of recent staffing actions) rather than planning to meet future needs. In the end, there has been much work completed, but few results seen. The strategic staffing process then becomes solely staff driven, or worse yet, disappears completely.

### **More Effective Approaches to Strategic Staffing**

Often, implementing a different, more pragmatic approach to strategic staffing can yield the high quality results that organizations need and expect. Start by defining a new objective for the process itself. Don’t try to “predict” future staffing needs with certainty or define actions to be taken now to eliminate problems that may or may not occur in the future. At best that is difficult to do well (and accurately) and may be viewed by managers as something that is “nice to have” but not absolutely necessary. Instead, consider a staffing strategy as a long term context within which more effective near term staffing decisions can be made. Not only is this a more realistic objective, its shorter term focus might just capture the attention of those line managers who are being measured by and rewarded for achieving near term objectives. Here is a simple example.

Suppose an organization has documented that it will need 25 additional project managers by the end of its fiscal year. How would a need like this be met? Positions could be filled through hiring, redeployment, promotion, work reassignment, use of contract/contingency staff, or many other sources. Which option makes is most effective? To select the right option, that organization must have a sense of its future needs. If those project managers are needed in the future too, a more permanent solution is most effective (e.g., hiring or promotion). If on the other hand the need is a “blip” in the curve, a more temporary solution is better (e.g., hiring contractors) so that an unneeded surplus of talent is not created in the future. It may even be a matter of scheduling – perhaps the “best” solution is delaying the new projects to the first quarter of the next year so that existing project managers can be redeployed to those jobs. In any of these instances, the best near term solution can only be made once the longer term context has been defined. It is also likely that the same line manager making the staffing decision will still be in place to reap the benefits of that decision later on.

When searching for ways to improve (or initiate) the strategic staffing process, consider the following options to traditional approaches:

- **Focus on issues, not organizations.** Many organizations feel that staffing strategies should be completed for the organization as a whole – that plans should be created for every unit, regardless of its situation. This type of process usually proves to be both ineffective and inefficient, because not every unit merits the detailed analysis that is typically needed to create and implement an effective staffing strategy.

Instead of creating models or analyses for every unit, create a series of staffing strategies that each address particular issues. For example, build a staffing strategy that focuses solely on positions that are critical to business success. Create a strategy for a series of positions that is hard to fill or for which external competition for talent is great. Focus a strategy on a unit that will experience significant change. Will the organization need to tap new, non-traditional sources for key talent? If so, create a strategy that is concentrated on those jobs.

Here is an example. Two insurance companies were merging. The claims functions of the two companies were managed and organized quite differently. In addition, one company had a 40 hour work week and the second had a 37.5 hour week. A longer term staffing plan was developed to integrate the two work forces and define the implications of changes in work week length. Other (separate) strategies were developed to address other implications of the merger.

In some cases, staffing strategies that span organizational boundaries are still needed. Cross unit staffing strategies should be developed whenever an organization intends to manage key talent across organization lines (e.g., managing IT or entry level engineering talent from a “corporate” perspective). An “issue orientation” can still be maintained in these cases. When creating such strategies, include in the analysis only those positions that are to be managed from a broader perspective. Here are two examples:

- An HMO was implementing a new, nation wide data collection and analysis system that would support all of its regions (some of which had their own such systems). Still, it had to maintain its legacy systems while implementing the new system. This raised numerous staffing issues. New talent (with new IT skills) had to be sourced to support the development of the new system, yet critical talent had to be retained to keep old systems functioning in the meantime.

Yet the organization did not want to simply hire/contract the new talent, for then the skills of its existing talent would become obsolete. It only made sense to address these critical issues from a nation wide, cross region perspective. The HMO developed a staffing strategy that focused on the critical IT skills needed to support the transition – yet that strategy included only those positions.

- To increase its staffing flexibility, the Department of Transportation of a state government was considering combining several separate classes of workers (each of which was focused on a particular set of skills) into a single category of “transportation worker” that included individuals with multiple skills. A staffing strategy was developed to define the impacts that this change would have on classification, scheduling/deployment, and training. The plan that was developed included all districts (since because of bargaining unit considerations the change could only be implemented on a state wide basis), but focused mainly on the positions that were affected.

Finally, don’t attempt to solve a second issue or problem until you have created staffing strategies that fully address the first!

- **Tailor the process for each issue.** Traditionally, each unit is typically asked to provide the same information regarding staffing, using a common template, at the same time each year, for the same planning period/time frame. While this approach may bring “consistency” to the approach, it also forces every unit to adopt a process and set of planning parameters that may not be appropriate. Rather than creating a “one size fits all” process that applies everywhere, vary planning parameters (e.g., the population to be included, the planning horizon, and the structure of the model itself) so that they are appropriate for each issue.

Here is an example. An engineering/construction firm created a “long term” staffing plan for its IT unit that covered but a single year. Given the rapid pace of change of technology, it was difficult to define needs (whether in terms of capabilities or staffing levels) beyond that point. Consequently, it made no sense to develop staffing plans for IT beyond that one year planning horizon (even though the organization had a five year “business plan”). That same organization also found it necessary to increase the depth and breadth of its management pool. Given the rate of change for the business as a whole (and the time needed to implement any

significant changes in management talent) a three to five year staffing and development plan was developed.

A “common” process would probably “force” the IT function and management teams to use the same time frame, and this would most probably result in an ineffective plan. Would it be appropriate to ask IT to create staffing plans for years two and three even though managers knew that this information would not be useful and would not be applied? Alternatively, would it have been better to ask each unit to plan management needs for just the one year time frame even though it would take several years to address the depth and breadth issues that were identified? Would it have been possible to “compromise” and have each group do a two year plan (which is probably ineffective for both)? In this case (and many others like it) it only makes sense vary the planning horizon. Obviously, this tailoring of parameters is only viable when separate staffing plans are defined by issue. The typical “one size fits all” approach doesn’t allow such variation.

- **Focus on particular positions, not all positions.** Some organizations attempt to develop staffing strategies that include all jobs. Not every job even needs to be addressed from a strategic perspective. Further, the development of staffing strategies requires much work, and it is not usually realistic to include each and every position in the analysis. Including all jobs (including those for which a strategic perspective is not required) simply bogs down the process, rendering it even more inefficient. For example, it is rarely necessary to develop a long term staffing strategy for a job that can be filled relatively quickly from known internal sources or relatively abundant external pools.

Instead, the process should focus on only two types of positions. Build staffing strategies for positions where:

- **The organization needs to be proactive** (e.g., staffing and training a customer service unit so that it is fully functional before a new product is launched). A longer term perspective is usually required in these cases. Which jobs will be staffed just before launch? Which will be filled a month or two before launch? Which senior management/leadership positions should be filled a year in advance in order to build continuity and teamwork?
- **The organization needs time to respond** (e.g., cases where new sources of talent must be identified as normal channels

become less productive or instances where talent needs will be met through longer term development, not short term hiring). If a future need is to be filled from within, what development needs must be addressed before such a move can be made? What plans for development should be created and implemented in the meantime? If you are to develop new relationships with alternative sources of talent (e.g., new schools or search firms) it will take time to identify and develop possible partnerships with such sources.

Long term staffing strategies may not need to be created for any other type of position, and certainly need not be developed for all positions, regardless of need.

Here are two examples:

- After conducting a scan, an oil company discovered that it was particularly vulnerable from a recruiting and staffing perspective in the area of geoscience. Competition for graduate geologists and geophysicists was intensifying, and the company was expecting that it would be unable to attract the number of recruits it thought it needed. Given the criticality of this need, the company created a model and staffing strategy that focused solely on these "hard to fill" categories.
- In an insurance company, the traditional path to branch manager passed through underwriting. Most branch managers began as trainees, became underwriters, were designated "managers in training", and were then named managers of smaller offices. This process might take eight to ten years. Openings for branch managers in larger offices usually were filled by promoting managers from smaller offices. Rapid expansion, however, required more branch manager candidates than could be supplied by this traditional path. Given the length of time required to move along the traditional career path, the company was forced to find alternate sources for branch manager candidates. The organization developed a staffing strategy that helped it to define the blend of targeted recruiting and accelerated development that was needed to meet its growing needs for management talent.
- **Keep plans separate, not consolidated.** In many cases, organizations prepare staffing plans at a unit level that are then "rolled up" into some kind of consolidated plan (or to display the

results “on one sheet of paper”). The common templates that are often used to gather data are designed to facilitate just this type of consolidation.

This process of consolidation actually squeezes out the detail that is most useful and sometimes “masks” significant differences. If one unit has 20 software engineers too many in a particular category and another unit has 20 too few, consolidation would show that there is no gap or surplus (i.e., no “issues” to be addressed). In fact, if the units are not co-located, there may be 40 “issues” to address (i.e., reducing 20 gaps and alleviating 20 surpluses).

It is also difficult (and sometimes actually impossible) to develop staffing plans to address summarized needs. For example, a summary might describe an overall need for 15 technical specialists, but plans to address that need might vary significantly depending on other circumstances. The staffing actions required to fill 15 openings in one unit/location would probably be completely different from those needed to fill a single opening in each of 15 different units/locations. Similarly, it would be difficult (and perhaps even impossible) to define recruiting plans based on a strategy that consolidates various engineering specialties into a single category. It is unlikely that such differences could be identified or inferred from summarized or compiled data.

Keep the plans separate and distinct. This is especially true if you have developed plans to address separate issues, using different planning parameters. Create plans that are at the same “level” as your probable solution. Don’t “roll up” data as a matter of course. Create a “corporate” view only if the staffing issues that can be identified and addressed at a corporate level. If in certain cases an integrated plan is required (e.g., to manage IT across, and not within, organizational units), create a “stand alone” model that includes only those jobs.

When it comes time to summarize (and develop that “one sheet” overview), create a page that highlights the most critical staffing issues you have defined (see above) and summarizes the strategies you plan to implement to address those issues. If more detail is required, make specific plans available as an attachment.

- **Define issues on an ongoing basis, don’t create an “event”.** Strategic staffing should be thought of as defining and addressing the staffing implications of change. Thus, staffing implications need to be defined whenever change is being discussed or anticipated.

If your organization discusses changes to its business plans and strategies just once each year, then an annual staffing process may be appropriate. If your organization discusses and implements changes throughout the year, however, an annual process is probably insufficient. A discussion of the staffing implications of changes in business plans should be conducted whenever change is discussed or anticipated – not at some set time each planning period. Assuming change is constant, this implies that strategic staffing is an ongoing process, implemented and updated throughout the year, not a “once a year” event.

As an example, the engineering /construction company described above now discusses staffing implications of change at every management committee meeting (i.e., on a bi-weekly basis). Further, it developed an expectation for managers that any proposal for resources (e.g., a new project or a change in technology used) had to include a discussion of staffing issues.

- **Focus on planning and acting, not reporting.** Many organizations spend too much time creating reports, tables and listings that describe in detail past turnover, current staffing levels and other data. Others document staffing movement (e.g., identifying openings and detailing how each was filled). In some cases, these reports represent the bulk of the HR planning effort. What good is this data if it does not significantly impact decision making?

An old adage describes a significant difference between “data” and “information”. Data is just that – facts, figures, numbers and the like. Data that is used to make a decision is information. If, for example, you reallocate staff because of something you discern from a data table, that data has become information. When it comes to staffing, make sure that you provide managers with information, not data. If your reports provide managers with data that is simply “nice to know” or “interesting”, but doesn’t directly influence decision making, don’t provide them.

Information on past practices and results is typically useful only when it is used as a basis for formulating assumptions about the future that can be incorporated into plans. For example, turnover studies should be conducted only when turnover assumptions are to be factored into plans and models. Detailed information on employee movement might identify alternative career paths that can be exploited to fill staffing shortages that the model has identified.

Here are two examples:

- One “high tech” company used to regularly publish a detailed listing that addressed staffing activity. The report (often more than a hundred computer generated pages in length) identified existing openings and detailed what had been done in the last month to fill openings. The report did not include any “look forward” and was not viewed by managers as an especially useful tool. Once the organization began to look at staffing from a more strategic perspective, the report was “streamlined” so that it provided information on possible sources of needed talent.
- An automotive company was trying to establish a strategic workforce planning function. It elected to build its foundation on providing data – accurately answering the questions of managers regarding past staffing practices and patterns (e.g., defining annual turnover rates for specific categories of jobs in response to specific management requests). As credibility is built, the workforce planning unit plans to “add value” by discussing with managers why they are requesting the data, suggesting alternative data and analyses, etc. By asking these “intelligent questions”, the function hopes to build a reputation as a valued strategic partner, thus allowing it to participate actively in the business planning process.
- **Solve problems, don’t just build capability.** Managers want answers to their staffing problems and solutions to their issues. Yet some HR functions focus their efforts on providing a process, system, or tool that managers can use to develop staffing strategies – not on meeting management’s need for action.

Generally, the development of a “tool” or “model”, while necessary in many cases, is by itself insufficient. The tool must be applied effectively to identify and address critical staffing issues. Managers must be trained (perhaps by HR staff) to use the tools effectively and apply results analytically. The best “deliverable” of the strategic staffing process isn’t a tool or model – it is a solution to a staffing problem (i.e., a qualified individual filling an opening). Make sure your process results in specific, actionable staffing plans (i.e., what will be done to address staffing shortages and surpluses), not just a better definition of the needs themselves.

- **Do the most you can with the information you have.** Many organizations think that they lack sufficient data to support the

development of a staffing strategy. When trying to define staffing requirements, for example, some organizations seem to think that staffing strategies must be based on “perfect data” – a full set of accurate information that describes fairly precisely what each business unit will do or is trying to accomplish. It is as if the staffing function is saying to the units “as soon as you figure out what we are going to do, we will be able to define staffing requirements”. Given the rate of change in most companies, this well defined, complete data set will simply never be available. Still, valuable staffing strategies can be developed even when “full” data is not available.

- **Fully utilize the data that does exist.** The objective in these cases is not to try and get that data, but instead to “do the most you can with what you have”. You almost always know more than you think you do. Suppose you are “sure” of 20% of what your organization is going to accomplish. This will allow you to create staffing strategies for that 20%. You can either create a strategy for the part you know or do nothing until you “know it all”. The choice is clear. Don’t think in terms of the “missing” 80% -- think instead that you will be better off addressing at least some of the problem than if you did nothing at all.

Here is an example of what one medical center did to create a staffing strategy for patient care staff in the face of great uncertainty. The center could calculate a ratio of the number of nurses required per patient in a given unit. That was not the problem. The problem was that the center had very little idea of how many patients could be expected at any given time. While not “random”, the number of patients in each unit fluctuated greatly. Consequently, there was no clear “number” of patients to whom this staffing ratio could be applied. Even in the face of such uncertainty, the center created a very specific staffing strategy. It would use its own full time staff to support the minimum number of patients (this number would by definition be the same every day), supplement this “base” with its own part time staff whenever the number of patients was more than the minimum and less than the median, and use contractors above the median.

- **Scenario Planning:** Some organizations incorporate various scenarios in their business plans. Probably each scenario has different staffing implications. One approach would be to try to determine which scenario will occur and then define staffing plans for that scenario. Not only is this difficult to do,

but there could be significant problems if you staff for one scenario and another occurs. Instead, define the staffing requirements of each of the most likely scenarios and look for commonality. For example, suppose that there are three possible scenarios for expansion of a business unit. In case 1, 40 new sales associates will be needed. In the second, 50 will be needed. The third calls for “mega” growth and 100 new sales associates would be required. Rather than choosing one scenario, create a strategy for attracting the minimum number of associates. No matter what happens, you are likely to need at least 40 sales associates. Obtaining these people will not solve all your problems, but you will certainly be better off than scrambling to hire the “right” number on short notice once the actual scenario is determined.

- **“What If Planning:** Some plans are even less certain than the scenarios described above. In these cases, organizations discuss possible plans but implementation remains uncertain. It makes no sense to try to “staff up” for each possibility, but still some staff planning can be beneficial. In these instances, define the staffing implications of the various alternatives (e.g., “if we were to do that we would need 200 network administrators”) and discuss what would need to be done to attract these people. What skills would be required? How many people with those skills are “out there”? How many could we attract? At what rate of pay? Where would we look? Obviously you are not going to go out and hire these people at this stage, but discussing and developing the various alternatives will make it easier (and faster) to act later on – once those business plans become clearer.

## Summary

If your organization understands the benefits of creating a staffing strategy but has had little or no success to date implementing a traditional process, consider the alternatives described above. Create strategies that focus on particular issues. Vary planning parameters accordingly. Include only those jobs for which a long term perspective is really needed. Keep plans separate and distinct. Update staffing plans whenever significant changes in business plans are being considered. Work to provide managers with information, not data. And most important of all, develop strategies so that staffing issues and problems are solved, don’t just build a new tool or system.

**Exhibit**  
**CONSIDER NEW APPROACHES**

<b>Instead of this...</b>	<b>...consider this</b>
Focusing on organizations and units	Focus on issues
Defining a "one size fits all" process	Tailor the process and parameters for each issue
Including all positions	Focus on positions where you need to be proactive or need time to react
Consolidating plans	Keep plans detailed, separate, and distinct
Creating plans as a one time "event" (e.g., annually)	Create plans in response to changing strategies, whenever change occurs or is discussed
Creating reports and listings that describe "what was"	Focus on planning and looking ahead to "what will be"
Building capability or tools	Solve staffing problems and address staffing issues

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Tom has worked with companies (both globally and domestically) to create human resource plans (including the identification of human resource issues and the development of human resource strategies) and develop human resource planning processes. He has developed, run, and applied the results of staffing strategies and quantitative human resource forecasts for companies in such industries as aerospace, health care, pharmaceuticals, petroleum, electric utilities, insurance, and telecommunications. Tom has also helped companies to develop and implement processes for executive succession and development. Many of these assignments included working directly with senior managers to define future position requirements and competencies, identify and assess potential candidates, and create action-oriented development plans. Tom has worked with companies to develop strategies for managing human resource information and improve the effectiveness of their human resource information systems. He has also assisted many companies to design, develop and implement PC- and network-based systems to support forecasting, executive development, and human resource information management.

Prior to starting Bechet Consulting, Tom was a Partner and co-founder of The Walker Group, where he worked for 14 years. Prior to that, Mr. Bechet spent eight years with Towers, Perrin and its general management consulting division, Cresap where he consulted on a wide variety of human resource planning topics. Before joining TPF&C, Tom worked for five years with two consulting engineering firms.

Mr. Bechet received his MBA from Columbia University in 1979, specializing in management and finance. He received his Bachelors of Engineering (Civil) from Manhattan College in 1974. He has served as Chairman of the Professional Development Committee of the Human Resource Planning Society and as a member of the Society's Board of Directors. Tom is a frequent speaker on

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