Staffing Strategy for a New Plant

Household Consumer Enterprises, Inc. (HCE) specializes in the design and production of household products such as brooms, brushes, rakes, kitchen utensils, and garden tools. It has its corporate headquarters in downtown Chicago, with manufacturing and warehouse/distribution facilities throughout the north-central region of the United States. The organization recently changed its mission from "providing households with safe and sturdy utensils" to "providing households with visually appealing utensils that are safe and sturdy." The new emphasis on "visually appealing" will necessitate new strategies for designing and producing products that have design flair and imagination built into them. One strategy under consideration is to target various demographic groups with different utensil designs. One group is 25- to 40-year-old professional and managerial people, who are believed to want such utensils for both their visual and conversation-piece appeal.

A tentative strategy is to build and staff a new plant that will have free rein in the design and production of utensils for this 25–40 age group. To start, the plant will focus on producing a set of closely related (design-wise) plastic products: dishwashing pans, outdoor wastebaskets, outdoor plant holders, and watering cans. These items can be produced without too large a capital and facilities investment, can be marketed as a group, and can be on stores' shelves and on HCE's store website in time for Christmas sales.

The facility's design and engineering team has decided that each of the four products will be produced on a separate assembly line, though the lines will share common technology and require roughly similar assembly jobs. Following the advice from the HR vice president, Jarimir Zwitski, the key jobs in the plant for staffing purposes will be plant manager, product designer (computer-assisted design), assemblers, and packers/warehouse workers. The initial staffing level for the plant will be 150 employees. Because of the riskiness of the venture and the low initial margins that are planned on the four products due to high start-up costs, the plant will run continuously six days per week (i.e., a 24/6 schedule), with the remaining day reserved for cleaning and maintenance. Pay levels will be at the low end of the market, except for product designers, who will be paid above market. Employees will have limited benefits, namely, health insurance with a 30% employee copay after one year of continuous employment and an earned time-off bank (for holidays, sickness, and vacation) of 160 hours per year. They will not receive a pension plan.

The head of the design team, Maria Dos Santos, and Mr. Zwitski wish to come to you, the corporate manager of staffing, to share their preliminary thinking and ask you some questions, knowing that staffing issues abound for this new venture. They ask you to discuss the following questions with them, which they have sent to you in advance so you can prepare for the meeting:

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?
2. Should the plant manager come from inside the current managerial ranks or be sought from the outside?
3. Should staffing be based on just the person/job match or also on the person/organization match?
4. Would it make sense to initially staff the plant 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?
5. In the early stages, should the plant be fully staffed, understaffed, or overstaffed?
6. Will employee retention likely be a problem, and if so, how will this affect the viability of the new plant?

Your task is to write out a tentative response to each question that will be the basis for your discussion at the meeting.