



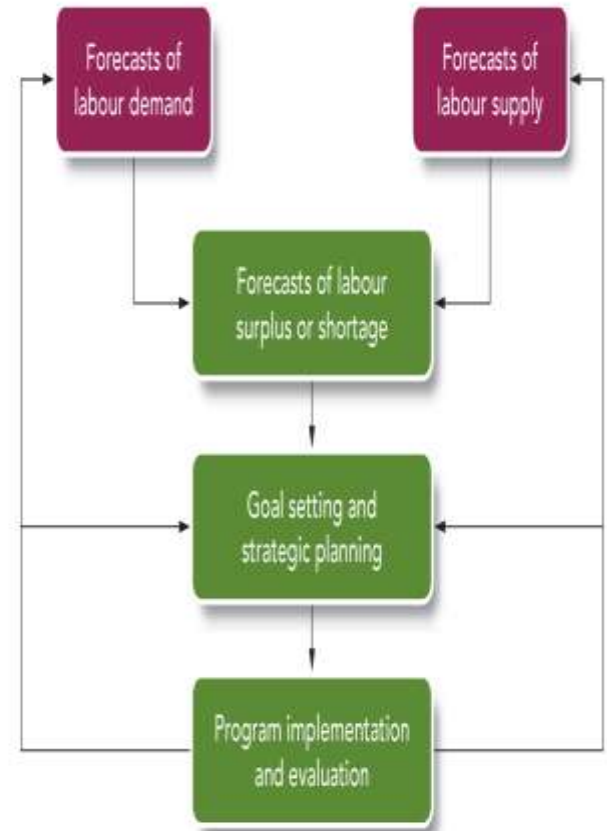
# Planning for and Recruiting Human Resources

# Strategic steps to HR planning

- Develop the HR objectives
- Forecast and analyze Demand & Supply (Internal/External Candidates)
- Develop and implement the HR plan to Balance
- Appraise and control the HR plan

FIGURE 4.1

Overview of the Human Resource Planning Process



# Results of Inadequate HR Planning

- Vacant positions create costly inefficiencies
- Mass layoffs requiring severance pay
- Simultaneous layoffs and hiring reduces morale and productivity, creates turnover
- Inability to meet operational and strategic plans

# Forecasts of Labour Surplus or Shortage

## Forecasting Demand for Labour

- Answers question: Will the need for people increase or decrease?
- Statistical models:
  - Trend analysis
  - Leading indicators
- Qualitative Techniques
  - Nominal group technique
  - Delphi Technique
  - Managerial Judgement

## Determining Labour Supply

- Examines internal changes expected, Examines trends in the external labour market
- Markov Analysis
- Skills/Management Inventories
- Replacement Charts/Summaries or Transitional matrix
- Succession Planning

# HR Strategies

OPTIONS FOR REDUCING A SURPLUS		
OPTION	SPEED OF RESULTS	AMOUNT OF SUFFERING CAUSED
Downsizing	Fast	High
Pay reductions	Fast	High
Demotions	Fast	High
Transfers	Fast	Moderate
Work sharing	Fast	Moderate
Hiring freeze	Slow	Low
Natural attrition	Slow	Low
Early retirement	Slow	Low
Retraining	Slow	Low

OPTIONS FOR AVOIDING A SHORTAGE		
OPTION	SPEED OF RESULTS	ABILITY TO CHANGE LATER
Overtime	Fast	High
Temporary employees	Fast	High
Outsourcing	Fast	High
Retrained transfers	Slow	High
Turnover reductions	Slow	Moderate
New external hires	Slow	Low
Technological innovation	Slow	Low

**TABLE 4.2**

HR Strategies for Addressing a Labour Shortage or Surplus

# Goal Setting and Strategic Planning

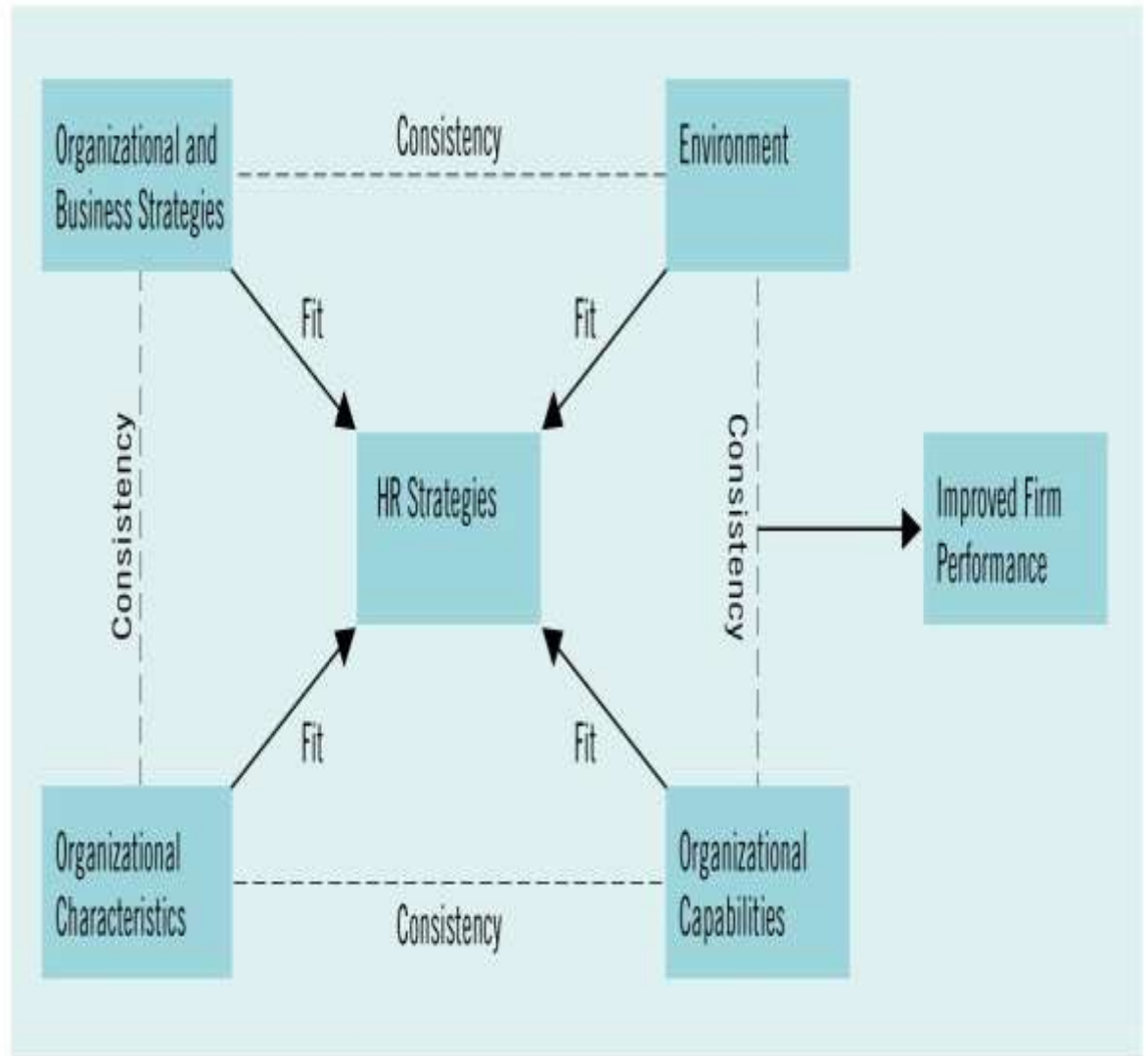
## Reducing a Surplus

- Downsizing
  - Planned elimination of large numbers of employees to enhance the organization's competitiveness
- Early-retirement programs
  - Programs that encourage older workers to leave voluntarily

## Avoiding a Shortage

- Employing temporary workers
  - Provides flexibility & lower costs, however disadvantages include tension between temporary and permanent employees
- Outsourcing
- Overtime and expanded hours

**Figure 1-5 Effective HR Strategy Formulation and Implementation**





# Employee Recruitment

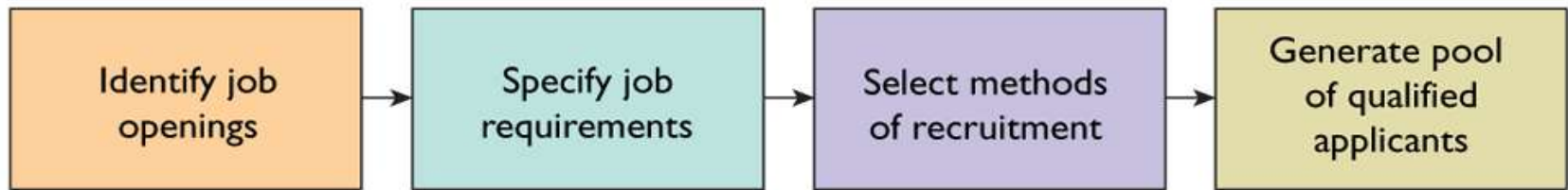


# Recruiting Human Resources

## Recruiting

- Any practice or activity carried on by the organization with the primary purpose of identifying and attracting qualified employees
- **3 Aspects:**
  - Human Resource Policies
  - Recruitment Sources
  - Recruiter Traits and Behaviours

**FIGURE 6.1** An Overview of the Recruitment Process



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# Human Resource Policies

## Internal vs. External Recruiting

Promote-from-within policies make an organization more attractive

## Lead-the-Market Pay Strategies

Meeting or exceeding the market rate of pay to compete for applicants

## Recruitment Branding & Image Advertising

- Using marketing techniques to become an “employer of choice”
- Generate a favourable image

# Recruitment Sources

- Current employees (internal recruiting)
- Direct applicants (walk-ins and write-ins)
- Employee Referrals
- Former employees
- Advertisements/Job postings (electronic or paper)
- Employment Agencies
- Temporary Help Agencies
- Executive Search Firms
- Educational Institutions
- HRSDC (Job Bank; Job Match)
- Customers
- Job fairs

# Which Recruitment Method to Use?

## Decisions should be based on:

- How long employees recruited from different sources stay with the organization.
  - Typically, recruits who have the most knowledge about the organization *before being hired* will stay the longest.
- Cost-effectiveness of source (does the quality of recruits justify the cost?)

# Recruiter Traits & Behaviours

- **Characteristics of the Recruiter**
  - “Warm” and “Informative”
- **Behaviour of the Recruiter**
  - Provide the right information
  - Realistic job previews
- **Enhancing Recruiter’s Impact**
  - Timely feedback
  - Avoid offensive behaviour
  - Recruit in teams i.e. include job experts

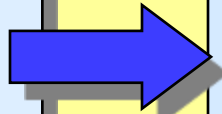


# Selecting Employees

# The Hiring Process

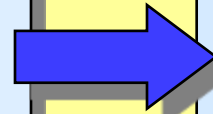
## Recruitment

- HR Planning
- Job Analysis
- Recruitment Policy



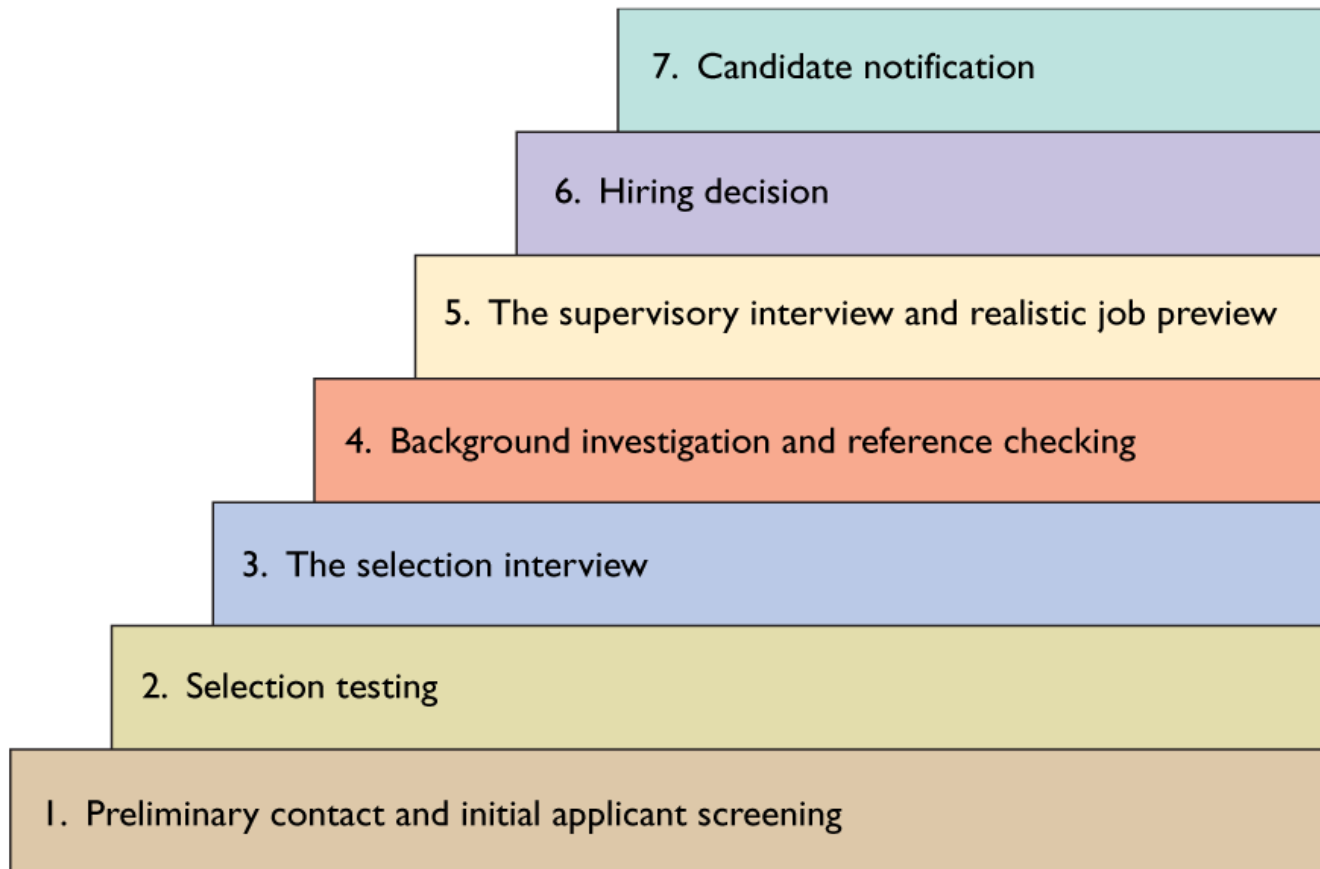
## Selection

- Generalization
- Practical value



## Socialization

**FIGURE 7.1** Typical Steps in the Selection Process



# Guidelines for Avoiding Legal Problems

- Selection criteria based on the job
- Adequate assessment of applicant ability
- Careful scrutiny of applicant-provided information
- Written authority for reference checking
- Save all records and information
- Reject applicants who make false statements

# Criteria for Evaluating Selection Methods



# Reliability

Refers to the extent to which a tool provides consistent results across:

- Time: “Test-retest reliability”
- Raters (e.g., interviewers): “Inter-rater reliability”
- Tool questions, when questions are measuring the same K or S: “Internal consistency”

More reliability means less error in measurement!

# Test-Retest Reliability

## Test A - Time 1

1.	John	(92%)
2.	Mary	(87%)
3.	Jane	(75%)

## Test A - Time 2

1.	Jane	(91%)
2.	John	(82%)
3.	Mary	(75%)

## Test B - Time 1

1.	John	(92%)
2.	Mary	(87%)
3.	Jane	(75%)

## Test B - Time 2

1.	John	(95%)
2.	Mary	(84%)
3.	Jane	(77%)

# Inter-Rater Reliability

## Interviewer A

1. John (great)
  2. Mary (average)
  3. Jane (poor)
- 

## Interviewer B

1. Jane (great)
2. John (average)
3. Mary (poor)

## Interviewer C

1. John (great)
  2. Mary (average)
  3. Jane (poor)
- 

## Interviewer D

1. John (great)
2. Mary (average)
3. Jane (poor)

# Internal Consistency

## Test A – 1<sup>st</sup> half

1.	John	(92%)	→	1.
2.	Mary	(87%)	→	2.
3.	Jane	(75%)	→	3.

## Test A – 2<sup>nd</sup> half

1.	Jane	(91%)
2.	John	(82%)
3.	Mary	(75%)

## Test B – 1<sup>st</sup> half

1.	John	(92%)	→	1.
2.	Mary	(87%)	→	2.
3.	Jane	(75%)	→	3.

## Test B – 2<sup>nd</sup> half

1.	John	(95%)
2.	Mary	(84%)
3.	Jane	(77%)

# How can we improve reliability?

- Clear, relevant, and focused questions.
- Rater's credibility.
  - The definition of the area of knowledge or *soft* skill
  - Which behaviours exemplify strong and poor demonstrations of a particular soft skill
  - What the various rating errors are (e.g., halo, leniency, severity, central tendency, contrast, similar-to-me)

# Validity

- The extent to which a tool is measuring what it was designed to measure.
- The more valid a selection tool, the more likely it will predict the candidate's future performance on the job.

# Reliability versus Validity

- A tool can be reliable but invalid, meaning we can be consistently (reliably) measuring the Wrong K or S.
- However, if a tool is unreliable, it will NEVER be valid.
- Thus, a tool's validity depends upon its reliability.

# How can we improve validity?

- Conduct a thorough job analysis to make sure the correct K and S are to be measured.
- Make sure the selection tool covers all aspects of the K or S in question.
- When creating or choosing the tool, involve people who are very familiar with the job and ask them if they **agree** that the tool is measuring the required K or S.
- Improve the reliability of the tool.

# Common Selection Tools

**Application Forms, Resume**

**Letters of Recommendation**

**Ability Tests**

**Personality Tests**

**Interviews**

**Reference and Background check**

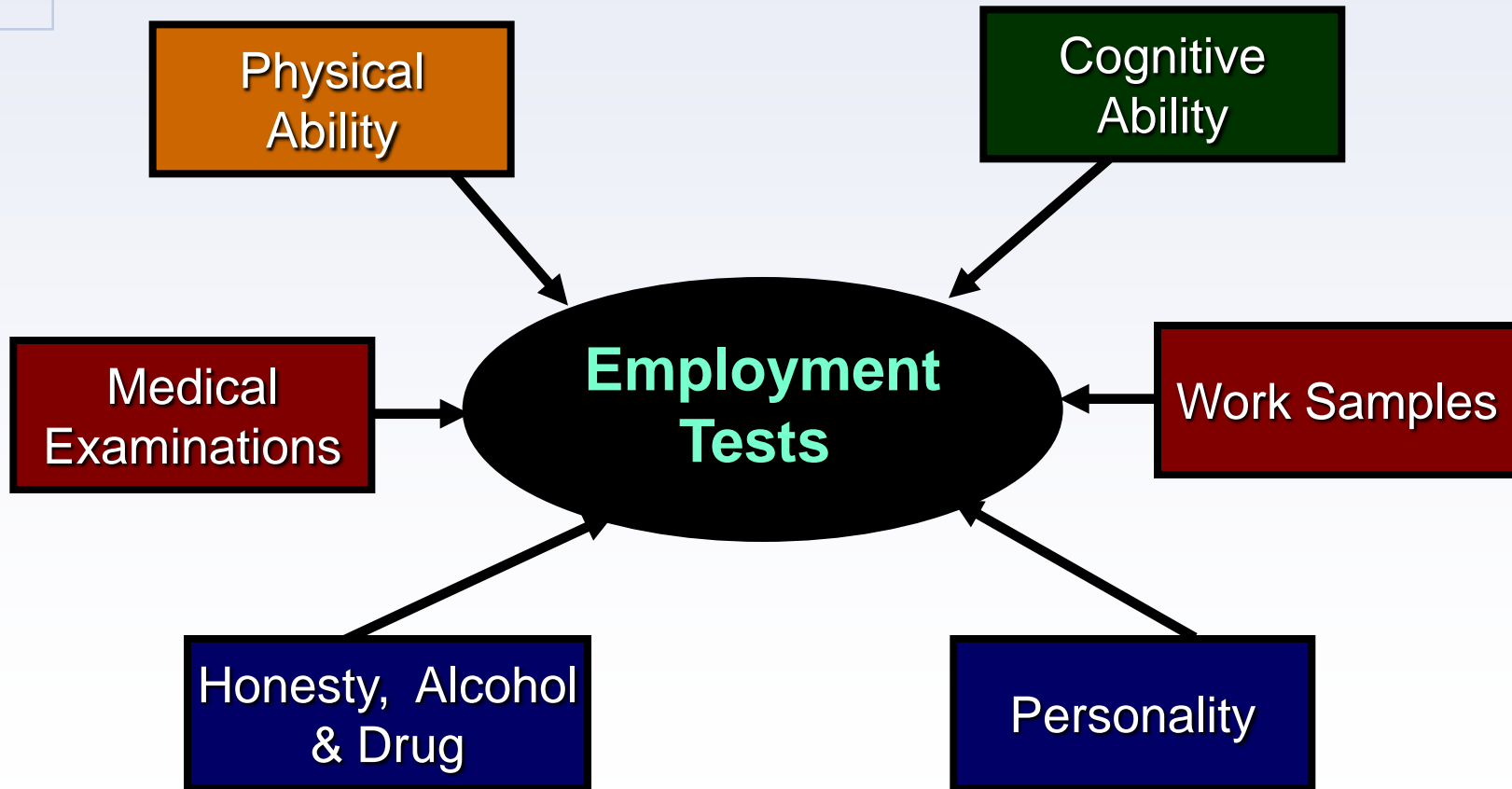
**Assessment Centres**

**Honesty Tests**

**Drug Tests**

**Handwriting Analysis**

# Employment Tests



# Types of Interviews

- Degree of Structure
  - Unstructured; Structured; Semi-structured
- Content
  - Situational
  - Behavioural
- Administration
  - Face-to-face interview
  - Panel
  - computerized

## Example of Behavioural Event Question:

“Tell me about time you were working on a team project and a fellow team member was rarely pulling his or her weight and was also difficult to get along with socially. Describe the situation, tell me what you did, and what was the result of your actions?”

This example would measure teamwork.

## Example of Situational Question:

“You are a customer service rep and your boss has asked you to deal with a customer in a way that you disagree with. Tell me exactly what you would do in this situation.”

This example could either be measuring loyalty to supervisors or customer service orientation, or both (only the interviewer knows).

# Interviewing Advantages & Disadvantages

## Advantages

Can provide evidence of communication and interpersonal skills

Can gain insight into candidate's personality and interpersonal style

## Disadvantages

Can be unreliable

Low on validity

Costly

Subjective

Can be biased

# Selection Decisions

## Multiple-hurdle model

- Gradually narrowing the pool of candidates for each job i.e. each stage is a hurdle

## Compensatory model

- A very high score on one type assessment can make up for a low score on another

## Who makes the selection decision?

- Supervisor
- Human resource professional
- Work team
- Other panel of decision makers

