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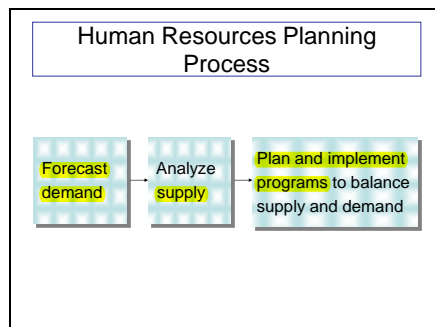
Chapter Five: HR Planning

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Human Resources Planning

- **review** human resources **requirements** to ensure:
 - the necessary **number** of employees
 - the necessary employee **skills**to meet organizational goals.

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Importance of Human Resources Planning

- achieve strategic goals and objectives
- achieve economies in hiring new workers
- make major labour market demands
- anticipate and avoid staff shortages/surpluses
- control/reduce labour costs

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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

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HR Planning and Strategic Planning

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graph LR; A[HR Planning] --> B[Strategic Planning]; B --> A;
```

- reciprocal and interdependent relationship
- environmental scanning critical for both

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External Environmental Factors Monitored

- economic conditions
- market and competitive trends
- government and legislative issues
- social concerns
- technological changes
- demographic trends

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Elements of Effective HR Planning

1. **Forecast Future HR Needs (Demand)**
2. **Forecast Future Internal/External Candidates (Supply)**
3. **Implement Plans to Balance Supply and Demand**

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Forecasting Future HR Needs (Demand)

Forecasting **based on:**

- projected **turnover**
- **quality** and **nature** of employees relative to needs
- decisions regarding product quality and new markets
- **plans for technological and administrative change** to increase productivity and reduce headcount
- **financial resources available**

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Forecasting Future HR Needs (Demand)

Quantitative Approaches:

- **trend analysis:** review **past employment levels**
- **ratio analysis:** **ratio of business activity/employees**
- **scatter plot:** graph of **business activity/employees**
- **regression analysis:** statistical **relationship between business activity and employees**

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Forecasting Future HR Needs (Demand)

Qualitative Approaches:

1. **Nominal Group Technique**
 - experts meet face-to-face
 - group discussion facilitates exchange of ideas
 - possible subjectivity, group pressure
2. **Delphi Technique**
 - experts work independently
 - wide range of views
 - difficult to integrate diverse opinions
3. **Managerial judgment**

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Forecasting Future HR Supply:

Markov Analysis

- tracking the pattern of employee movements through various jobs and developing a transitional probability matrix

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Forecasting Future HR Supply

Skills/Management Inventories

- summary of each employee's education, experience, interests, skills
- for managers, also includes managerial responsibilities, duties in current/previous positions, management training

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Forecasting Future HR Supply

Replacement Charts/Summaries

- visual representations of likely internal replacement employees for each position, including age, present performance rating, promotability status
- replacement summaries also list relative strengths and weaknesses, current position

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Forecasting Future HR Supply

Succession Planning

- analyze demand for managers/professionals
- audit existing executives, project future supply
- individual career planning/career counselling
- accelerated promotions
- performance-related training and development
- planned strategic recruitment

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Forecasting Future HR Supply

External Candidates

- general economic conditions
- national labour market conditions
- local labour market conditions
- occupational market conditions

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Balancing Supply and Demand

Dealing with a Labour Surplus

- hiring freeze
- attrition
- early retirement buyout programs
- reducing hours (job sharing, work sharing, reduced workweek)
- layoffs; supplemental unemployment benefits
- termination with severance package

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Balancing Supply and Demand

Dealing with a Labour Shortage

- overtime
- hiring temporary employees
- subcontracting work
- external recruitment
- transfers
- promotions

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Balancing Supply and Demand

Canada's Looming Labour Shortage

- over next 20 years, baby boomers will retire, creating a critical undersupply of labour
- retention of older workers
- more Aboriginals, visible minorities, females
- more apprenticeships
- aggressive external recruiting
- offer flexible work arrangements

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Balancing Supply and Demand

Flexible Work Arrangements

- sought by younger workers to achieve work-life balance
- sought by older workers to bridge to retirement
- also assists in meeting customer needs

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Flextime

- employees build workday around core of mid-day hours
- reduces absenteeism
- reduces use of sick leave for personal matters
- increases receptiveness to change
- can be complicated to administer

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Telecommuting/Telework

- use of computers and telecommunications to work at home
- improves cost savings, productivity and morale
- many managers uncomfortable due to loss of control over workers; trust is required

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Alternative Work Arrangements

Job Sharing

- duties of single position divided between two or more employees

Compressed Workweek

- work less than five days of more than eight hours instead of five eight-hour days

Flexyear

- every six months, choose number of hours to work each month for next year

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FIGURE 5.1 Human Resources Planning Model



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FIGURE 5.2 Balancing Supply and Demand Considerations

Conditions and Possible Solutions

A. When labour demand exceeds labour supply

- Scheduling overtime hours
- Hiring temporary workers
- Subcontracting
- External recruitment
- Internal promotions and transfers
- Performance management, training and retraining, and career development play a critical role.

B. When labour supply exceeds labour demand

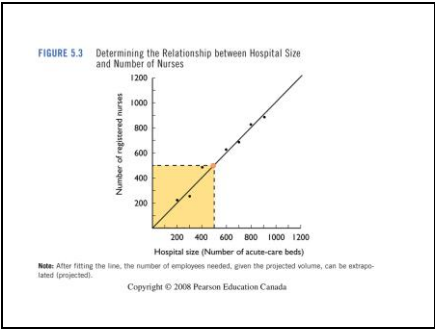
- Hiring freeze—managing current workers to job openings
- Attrition: standard employee migration, retirement, or death
- Incentives to leave the organization: buyouts or early retirement programs
- Job sharing
- Reducing positions to part time
- Work sharing and reduced workweek
- Finding employees alternative jobs within the organization
- Employee death
- Termination of employment
- Evaluating the effectiveness of layoffs and downsizing is critical, as is managing “survivor sickness.”

C. When labour demand equals labour supply

- Vacancies are filled internally through transfers or promotions, or externally by hiring new employees
- Performance management, training, and career development are critical in achieving balance.

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FIGURE 5.4 A Sample Staffing Table

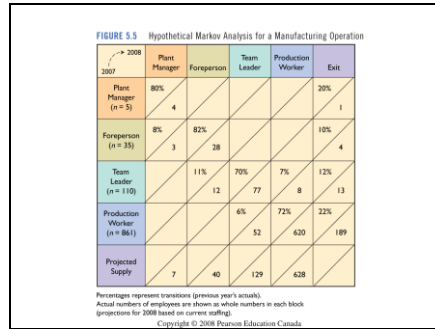
Springbrook Utilities Commission Staffing Table

Over completed

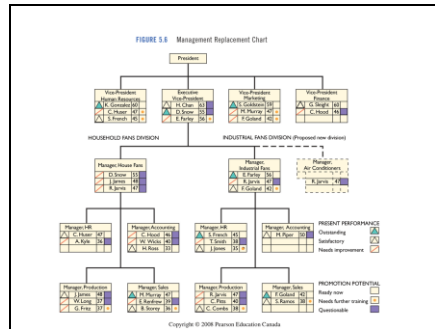
Job Title (As in Job Description)	Department	Anticipated Openings												
		Total	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.
General Plumber	Administration	1					1							
Director of Finance	Administration	1							1					1
Human Resource Officer	Administration	2	1											
Collection Clerk	Administration	1		1										
Groundkeeper	Maintenance	4						1	1					2
Service and Maintenance Technician	Maintenance	5	1			2					2			
Water Utility Engineer	Operations	3									2			1
Apprentice Lineman	Operations	10		6						4				
Water Meter Technician	Operations	1												1
Engineering Technician	Operations	3			2							1		1
Field Technician	Operations	8							8					
Senior Programmer/Analyst	Systems	2				1					1			
Programmer/Operator	Systems	4		2								1		
Systems Operator	Systems	5				2							1	
Customer Service Representative	Sales	8	4						3					

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