

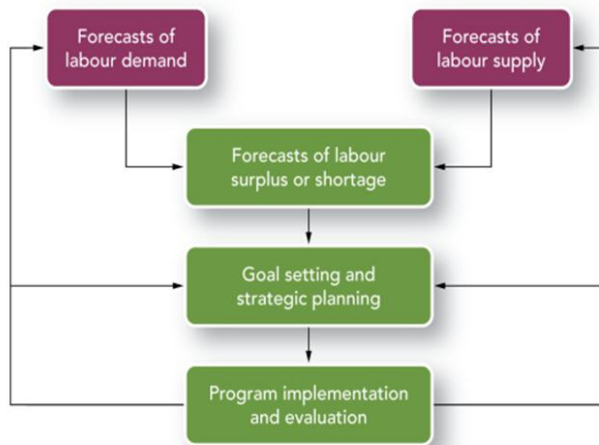
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Chapter 4 - Planning for and Recruiting Human Resources

Workforce Planning

- Identifying the numbers and types of employees the organization will require
 - Used to meet organizational goals and gain a competitive advantage
- Compares the present state of the organization with its goals for the future
 - What size they want to be
 - What products and services to produce
- Ensuring the organization has the right people, with the right skills, at the right times

The Workforce Planning Process



Forecasting

- Attempts to determine the supply of and demand for various types of human resources
- Primary goal to predict which areas of the organization will experience labor shortages or surpluses
 - Using statistical models or judgment/experience

Forecasting Labor Surplus or Shortage

Forecasting Labour Demand	Forecasting Labour Supply
<ul style="list-style-type: none"> ■ Organizations usually forecast demand for specific job categories or skill areas <ul style="list-style-type: none"> ■ Will the need for people in this category increase or decrease? ■ Statistical models: <ul style="list-style-type: none"> ■ Trend analysis ■ Leading indicators 	<ul style="list-style-type: none"> ■ Detailed analysis of how many people are currently in various job categories or have specific skills ■ Examines internal changes expected <ul style="list-style-type: none"> ■ Transitional matrix ■ Expert judgments ■ Examines trends in the external labour market

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Determining Labor Surplus or Shortage

- Forecasting determines the shortage or surplus of human resources for each job category
 - Allows the organization to plan how to address these challenges in advance
- Transitional matrix chart

Goal Setting and Strategic Planning

- Goals should come from the analysis of labor supply & demand
- Include quantitative goals and a timeline
 - Specifically what will happen to each job category and a timeline from when the result will be achieved
- Each goal should have one or more HR strategy
- Consider fit with competency framework

- Chart showing speed of results vs amount of suffering caused

Downsizing

- The planned elimination of large numbers of employees with the goal of enhancing the organization's competitiveness
- Four objectives
 - Reduced costs
 - Replacing labour with technology
 - Mergers and acquisitions
 - Moving to a more economical locations
- Disadvantages
 - Only a temporary boost to profits
 - Loss of talent
 - Motivation drops
 - Negative publicity
- Alternatives
 - Reducing hours
 - Early-retirement programs
 - Phased-retirement
 - Slowly lower amount of hours worked per week

Avoiding a Shortage

- Employing temporary and contract workers
- Outsourcing
- Overtime and expanded hours

Implementing and Evaluation

- Checking whether the organization has succeeded in avoiding labour shortages or surpluses
- Accountability must be built in
 - Some individual must be accountable
 - Progress reports so that problems are identified early

Applying Workforce Planning to Employment Equity

- Workforce planning to manage diversity or meet government requirements
 - Required an additional level of workforce planning

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- Looks at subgroups in its labour force (eg. Proportion of women and visible minorities)
- Workforce utilization review

Succession Planning

- The process of identifying and tracking high-potential employees who will be able to fill key positions
- Benefits
 - Regular review of leadership talent
 - Development helps to ensure talent is ready for promotion
 - Helps attract and retain ambitious employees

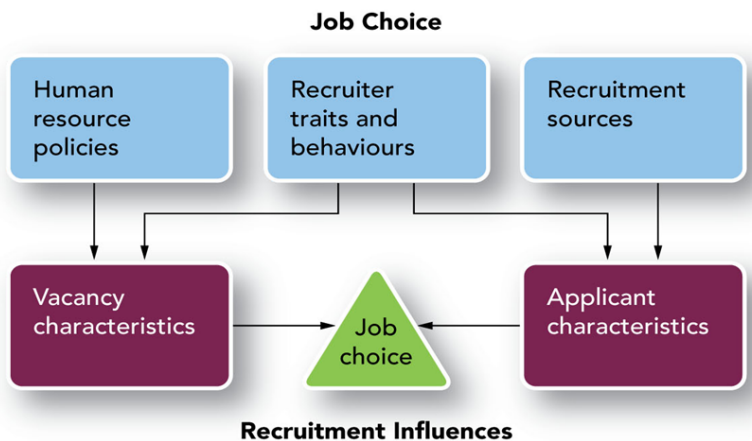
Succession Plan Development Process



Recruiting Human Resources

- Primary purpose is identifying and attracting potential employees
- Creating a connection ...

Three Aspects of Recruiting



Human Resources Policies

- Internal vs. external recruiting: Policies to promote from within makes an organization more attractive

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- Lead-the-market pay strategies: Meeting or exceeding the market rate of pay to the complete for applications
- Employer branding: Strategic approach of attaching a visual, emotional, or cultural brand to an organization

Recruitment Sources: Internal Sources

- Employees who currently hold other positions
 - Recruit through job postings or referrals
- Advantages
 - Creates an atmosphere of career progression
 - Generally cheaper and faster than external
 - Generates applicant who are well known
 - Enhanced employee morale

Recruitment Sources: External Sources

- Organizations may not have available internal candidates
 - Usually for entry level and specialized jobs
- Sources include:
 - Direct applicants, referrals, passive job seekers
 - Advertisements, electronic recruiting
 - Public employment agencies, staffing services companies, universities/colleges
- Each source has its own pros/cons

Western Jobs Board: Career Central

<https://www.westerncareercentral.ca/home.htm>

Evaluating the Quality of a Source

- Monitoring the quality of recruitment sources
- Yield ratio:
 - Expresses the percentages of applicants who successfully move from one stage of the recruitment and selection process to the next
- Cost per hire:
 - Divide the cost of using a particular recruitment source by the number of people hired

Recruiter Traits and Behaviours

- The ideal recruiter is a talent magnet
- Characteristics of the recruiter:
 - Specialists in HR vs expert at the particular job being staffed
- Behaviour of the recruiter:
 - Provide the right kind of information
 - Realistic job interviews
- Enhancing the recruiter's impact:
 - Timely feedback, avoid offensive behaviour, and recruit with teams

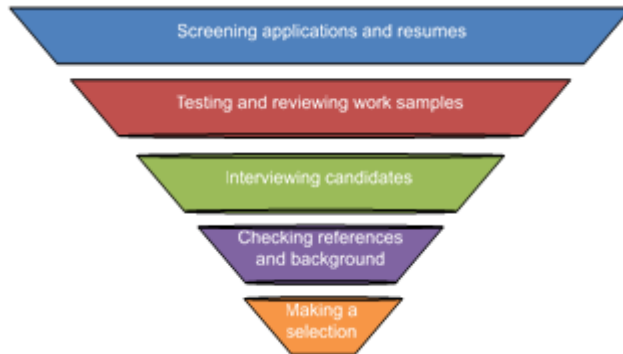
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Chapter 5 - Selecting Employees

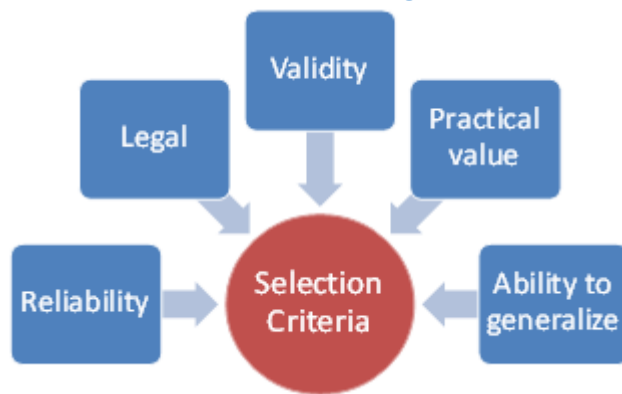
Selection

- Through the process of selection, organizations make decisions about who will be chosen to fill job openings
- Begins with the candidates identified through recruitment
- Should support job descriptions and specification

Steps in the Selection Process



What are the criteria for evaluating selection methods?



Reliability and Validity

- **Reliability:** the extent to which a measurement generates consistent results
- **Validity:** the extent to which performance on a measure (such as a test score) is related to what the measure is designed to assess (such as a job performance)

Validity

- **Criterion-related validity**
 - Based on showing a substantial correlation between test scores and job performance
 - Predictive vs concurrent validations
- **Content validity**
 - Consistency between test items and the kinds of situations or problems that occur on the job
- **Construct validity**
 - For measuring abstract qualities (eg intelligence)

Ability to generalize & practical value

- Ability to generalize

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- Valid in other contexts beyond the context in which the selection method was developed
- Practical value
 - Also known as utility
 - The extent to which the selection method provides economic value greater than its cost

What are the legal standards?

- Selection needs to be conducted in a way that avoids human rights and privacy complaints
- Interviews
 - Assess candidates without drawing out information that is not relevant to the job
 - Do not gather information about prohibited grounds (eg. Interviews notes)
- Candidates must provide consent before background or reference check

Job applications and resumes

- Applications
 - An inexpensive way to gather basic data from many applicants
- Resumes
 - The usual way applicants introduce to a potential employer
 - Information is biased in favour of the application
 - Highlights accomplishments
 - Use of applicants of tracking system (ATS)

References and Background Checks

- References
 - Applicants provide names and contact information of former employees or others
 - Legal issues may arise (eg. Negligent hiring, defamation or misrepresentation)
- Background checks
 - Way to verify that applicants are as they represent themselves to be

2 Categories of Employment Tests

- Aptitude tests
 - Tests that assess how well a person can learn or acquire skills and abilities
 - Eg. General aptitude test battery (GATB)
- Achievement tests
 - Tests that measure a person's existing knowledge and tests
 - Eg. Skills using software such as excel

Types of Employment Tests

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Employment Test

- Physical ability
 - Evaluates one or more physical or psychomotor abilities
 - Vulnerable to human rights complaints
- Cognitive ability
 - Measure mental abilities including verbal, quantitative, and/or reasoning
 - Sometimes called "intelligence tests"

Meiorin Test

- Physical Ability tests can be discriminatory where certain groups have an unfair advantage
 - I.e. firefighter fitness tests
- Meiorin Test
 - Used to determine if a violation of human rights legislation can be justified as a bona fide occupational requirement

Meiorin Test

- Rationally connected
- Honest and good faith belief
- Reasonably necessary; impossible to accommodate without imposing undue hardship on the employer

Employment Test

- Job performance and work samples
 - Test for performing specialized tasks
 - In-basket tests and work samples
 - Assessment center
- Personality inventories
 - Finds applicants who have desired personality traits e.g. "Big Five"
 - Concerns about 'faking'

Employment Test

- Honesty, alcohol & drug tests
 - Attitudes toward honesty and integrity
 - Alcohol and drug testing should conform to human rights policy
- Medical examinations
 - Done more for physically demanding jobs (i.e. professional athletes)

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- Can also be done at the beginning of employment to establish an employee's physical condition for future work-related disabilities

Interviews

- Nondirective interview
 - The interviewer has discretion in choosing questions to ask each candidate
- Structured interview
 - Consists of a predetermined set of questions for the interviewer to ask
 - *Situational interview*- a structured interview in which the interviewer describes a situation likely to arise on a job, then asks the candidate what he or she would do in that situation

Interviews

- Structured interview (cont'd)
 - *Behavioral interview* - a structured interview in which the interviewer asks the candidate to describe how he or she handled a type of situation in the past
- Panel interview
 - Selection interview in which several members of the organization meet to interview each candidate
 - Reduces the effect of personal biases

Advantages of Interviews

- Advantages
 - Provide evidence of communication and interpersonal skills
 - Insight into candidate's personality and interpersonal style

Disadvantages of Interviews

- Disadvantages
 - Can be unreliable, low in validity
 - Costly
 - Subjective
 - Risk of discrimination complaints
- How to mitigate
 - Having structured and standardized interviews
 - Training interviewers
 - Using more than one person to interview

Selection decisions

- Multiple-hurdle model
 - Process of arriving at a selection decision by eliminating some candidates at each stage
 - Usual process for arriving at a selection decision
- Compensatory model
 - All candidates evaluated with all methods
 - A very high score on one type of assessment can make up for a low score on another
 - More expensive

Who Makes the Selection Decision?

- Immediate supervisor or manager
- Human resource professional

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- Work team or other panel of decision makers
- Communicating the decision:
 - HR department is often responsible for notifying applicants
 - Need to keep accurate records
 - Close communication required between HR and the immediate supervisor

Chapter 6 - Training and Developing Employees

Training vs. Development

- Training
 - An organization’s planned efforts to help employees acquire job-related knowledge, skills, and behaviour
- Employee development
 - The combination of formal education, job experiences, relationships, and assessment of personality and abilities to help employees prepare for the future of their careers

Training vs. Development

	Training	Development
Focus	Current	Future
Use of experiences	Low	High
Goal	Preparation for current job	Preparation for future job
Participation	Required	Voluntary

Training & Development linked to Organizational Needs & Strategy

- Training & development as a source of competitive advantage:
 - Rapid changes require employees to upgrade and learn new skills
 - Growing reliance on teamwork
 - Diversity and globalization
 - Value placed on reputation as a "talent developer"

Canadian Investment in Training & Development

- Canadian firms continue to under-invest in training and development

Canadian Investment in Training & Development

- Canadian firms continue to under-invest in training and development
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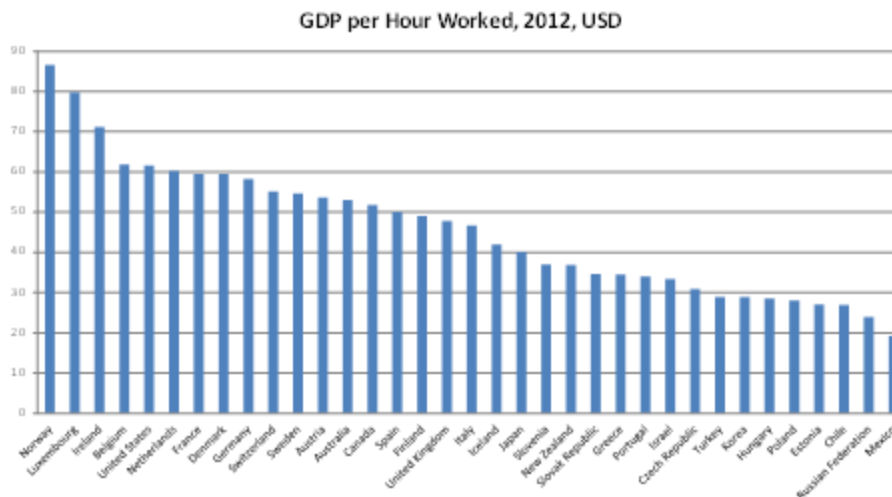
IMD Workforce Training Ranking	2002	2006	2010

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Ranking (out of 59 countries)	12	21	25
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- How has this under-investment impacted Canada's productivity?

Canadian Investment in Training & Development



Training & Development linked to Organizational Needs & Strategy

- Instructional Design
 - A process of systemically developing training to meet specified needs
- Learning Management System
 - A computer application that automates the administration, development, and delivery of training and development of programs

Stages of Instructional Design

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Needs Assessment

- The process of evaluating the organization, individual employees, and employees' tasks to determine what kinds of training, if any, are necessary
 - Organization
 - Person
 - Task

Organization Analysis

- Determine appropriateness of training by evaluating characteristics of the organization
- Considers organization's strategy, resources, and management support
- Other key criteria: budget, time, and expertise

Person Analysis

- Process for determining individuals' needs and readiness for training
 - Do performance deficiencies result from a competency gap?
 - Who needs training?
 - Are these employees ready?

Task Analysis

- Identifies the tasks and competencies that training should emphasize
- Looks at conditions:
 - Job environment
 - Time constraints
 - Safety considerations
 - Performance standards

Readiness for Training

- Combination of employee characteristics and positive work environment that permit training

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- Employee readiness characteristics:
 - Cognitive
 - Motivation
- Work environment:
 - *Situational constraints (i.e. lack of money and/or time for training)*
 - *Social support(i.e. giving trainees positive feedback and encouragement)*

How to Plan and Design the Training Program

- Effective training objectives have three components:
 - State expectations of employees
 - Performance standards that are measurable
 - Identify the resources needed to carry out the desired performance or outcome
- Avoid illegal discrimination
- In-house or contracted out?
 - Request for proposal (RFP)

What Training Methods are Available?

Classroom Instruction	<ul style="list-style-type: none"> ▪ Most widely used training method ▪ Instructor leading a group ▪ Distance learning – trainees at different locations
Audiovisual Training	<ul style="list-style-type: none"> ▪ Trainees work independently – at their own pace ▪ Use presentations, videos, workbooks
Computer-based Training	<ul style="list-style-type: none"> ▪ E-learning via internet/company intranet ▪ Electronic performance support system (EPSS) ▪ Ability for collaboration
On-The-Job Training	<ul style="list-style-type: none"> ▪ Apprenticeship (i.e. Red Seal) ▪ Internship ▪ Cooperative Education
Simulations	<ul style="list-style-type: none"> ▪ Simulates a real-life conditions ▪ Staged, risk-free environment ▪ Virtual reality

MOS Industry Internship Program

- Opportunity to apply the theory you have learned in the classroom
- Real business experience makes you more marketable to employers when you graduate
- Apply in 3rd year
- Work in industry 8-16 months in between 3rd and 4th year
- Top employers like IBM, Blackberry, Labatt's, CAA, Canada Revenue Agency, Munich Re
<http://mos.uwo.ca/undergraduate/internships/index.html>

What Training Methods are Available?

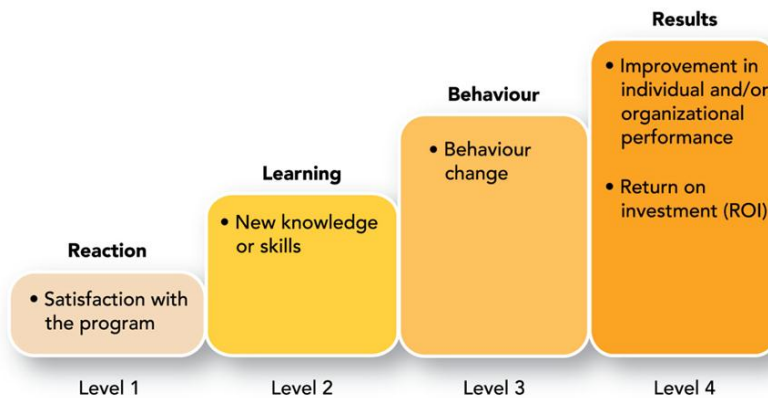
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Principles of Learning

- Communicate learning objectives clearly
- Present information in memorable ways
 - Break information into chunks; use visual images
- Help trainees link the content to their jobs
 - Use familiar concepts, terms, and examples
 - Physical and emotional elements should mirror the work environment
 - Provide opportunities to practice
- Materials should have an appropriate reading level

Measuring Results of Training



Evaluation Methods

- Look for transfer of training
 - On-the-job use of knowledge, skills, and behaviors learned in training
 - Must ensure conditions are in place to apply what was learned
- Evaluate training outcomes
 - Trainee and supervisor satisfaction (reaction)
 - Information that trainees can recall (learning)
 - Skills that trainees can demonstrate (behavior)
 - Improvements in individual, group, or company performance (results)

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Applications of Training

- Orientation (onboarding) of new employees
 - Training designed to prepare employees to perform their jobs effectively, learn about their organization, and establish work relationships
 - May combine various training methods
- Diversity training
 - Designed to change employee attitudes about diversity and develop skills needed to work with a diverse teams
 - Attitude awareness and change/behavior change

Approaches to Employee Development

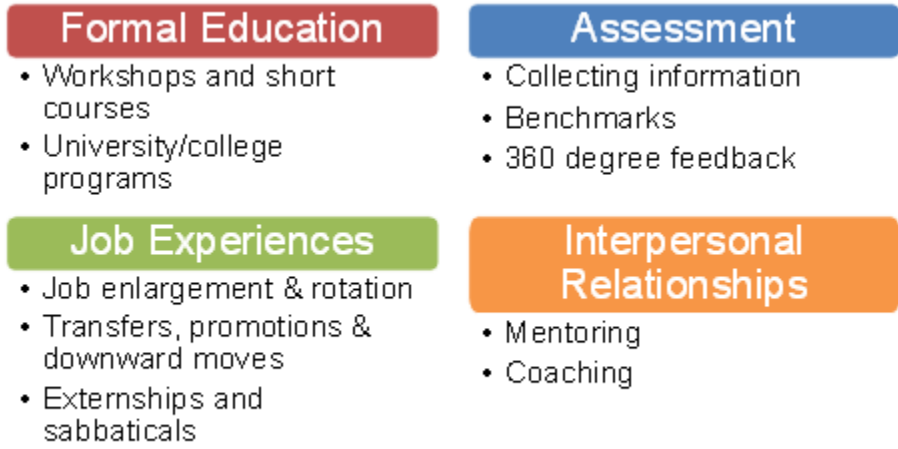
- Development is future-oriented
- Development for careers
 - Traditional career view
 - Protean career
 - Employees must continually develop new skills
 - Career management and/or development planning

Traditional Career vs. Protean Career

Criteria	Traditional Career	Protean Career
Who's in charge?	Organization	Person
Core values	Advancement	Work life balance, flexibility
Degree of mobility	Low	High
Key attitudes	Commitment, loyalty	Work satisfaction professional development
Success criteria	Position, job security	Purposeful work

Approaches to Employee Development

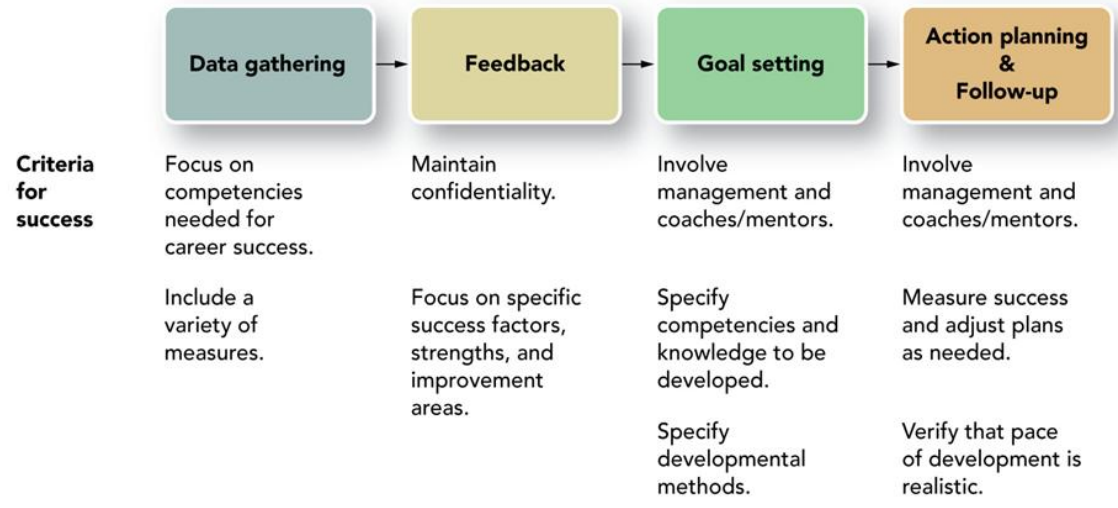
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Interpersonal Relationships

- Mentor
 - Experienced, productive, senior employee who helps develop a less experienced employee, called the protégé, or mentee
 - Formal or informal
- Coach
 - A peer or manager who works with an employee to provide a source of motivation, help him or her develop skills, and provide reinforcement and feedback

Career Management Systems



Development-related challenges

- Glass ceiling
 - Development systems can help break barriers
- Dysfunctional managers
 - Behaviors that make an otherwise competent manager ineffective

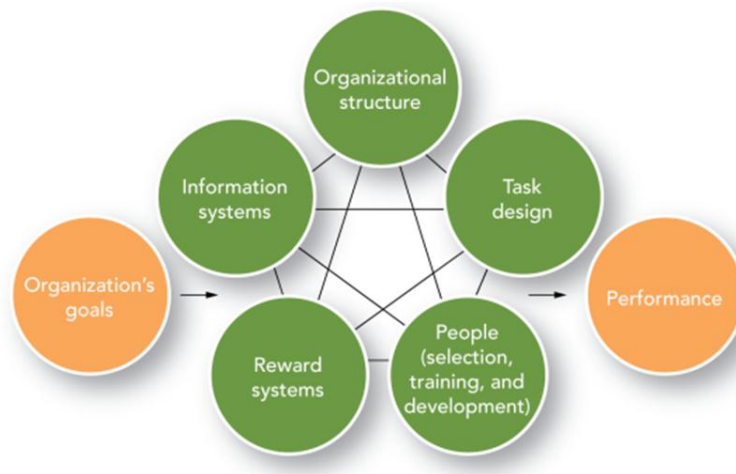
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Chapter 11 - Creating and Sustaining High-Performance Organizations

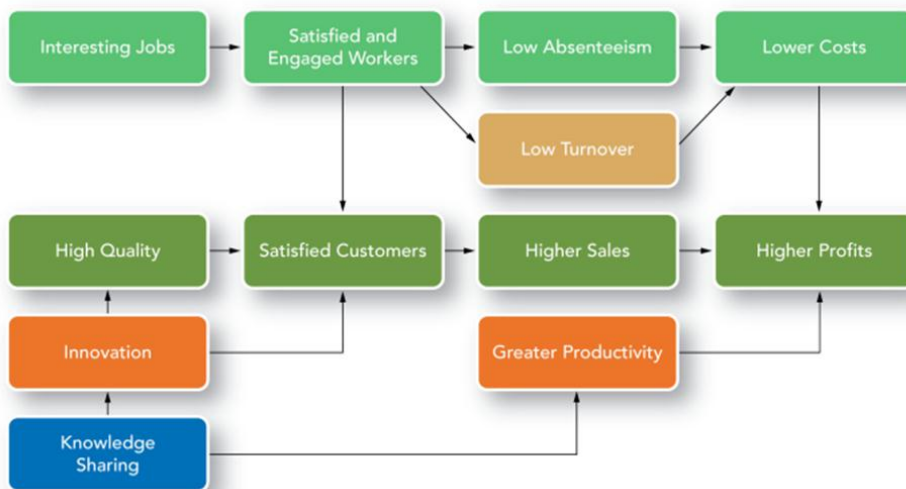
What is a High-Performance Work System?

- The right combination of people, technology, and organizational structure to make full use of resources and opportunities in achieving organizational goals
- Contrasts with traditional management practice
 - Decisions about technology, organizational structure, and human resources were treated as if unrelated

Elements of a High-Performance Work System



Outcomes of a High-Performance Work System



High-Performance Work Systems and Strategy

- 2 basic strategies:
 - Low cost

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- Differentiation

Strategy	Low Cost	Differentiation
Structure	Centralized	Decentralized
Employee Participation	Low	High
Wages	Lower	Higher
Decision Making	Centralized	Autonomous

Conditions that Contribute to High Performance



Teamwork and Empowerment

- Employee empowerment
 - Giving employees responsibility and authority to make decisions regarding all aspects of product development or customer service
- Teamwork
 - Common form of employee empowerment
 - Use of cross functional teams

Knowledge Sharing

- Learning organization
 - Supports lifelong learning by enabling all employees to acquire and share knowledge
- Key features of a learning organization:

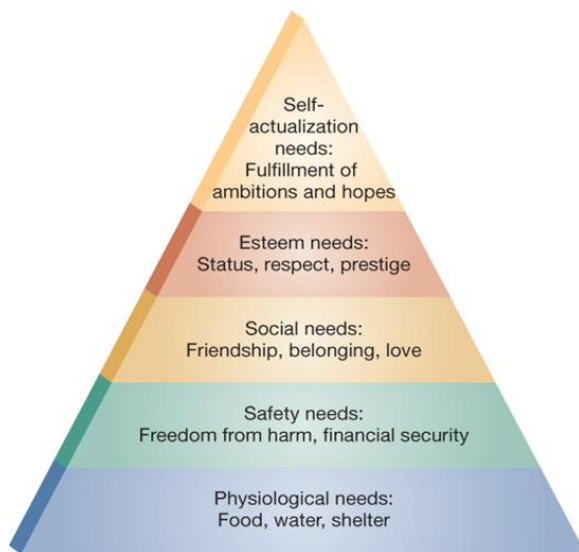
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- Engages in continuous sharing
- Knowledge is shared
- Critical, systemic thinking is widespread
- Learning culture
- Employees are valued

Employee Satisfaction

Job Satisfaction

- Extent to which employees experience their jobs as fulfilling
- Self-actualization needs



Employee Satisfaction

11.3
Job Satisfaction



Employee Engagement

- The extent that employees are satisfied, committed to, and prepared to support what is important to the organization
- ★ Employee enjoyment = increased shareholder returns and increased employee retainment

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- Clear connection between high levels of engagement and total shareholder returns
- Directly impacts employee retention
- High engagement organizations strive to foster employee's passion for their work
 - Occupational intimacy

★ Employee Engagement: Employment Value Proposition

- Organizations are focusing too much on why employees leave, instead of trying to keep current employees engaged
- Employment Value Proposition (EVP)
 - Unique characteristics that make your organization more attractive than others
 - "Selling features:" Elements such as culture, work environment, and leadership
 - Goes beyond looking at only pay

How are Employee Satisfaction & Engagement Assessed?

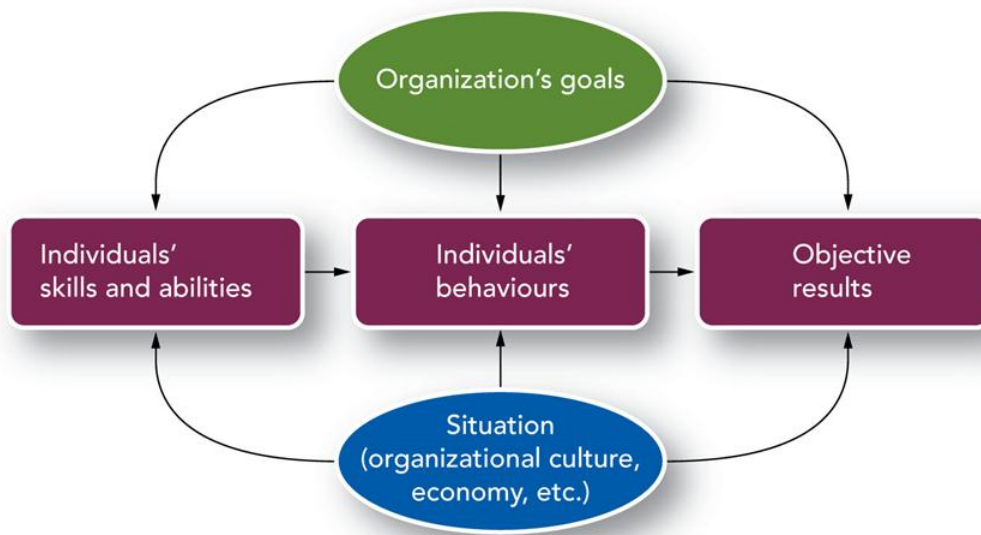
- Employee Surveys
 - Systematic, ongoing program of employee surveys to monitor trends
- Job Descriptive Index (JDI)
 - Emphasizes specific aspects of satisfaction e.g. pay, the work itself, supervision, co-workers, etc.
- Exit interview
- Stay interview
 - Uncover issues to prevent employees from leaving

HRM's Contribution to High Performance

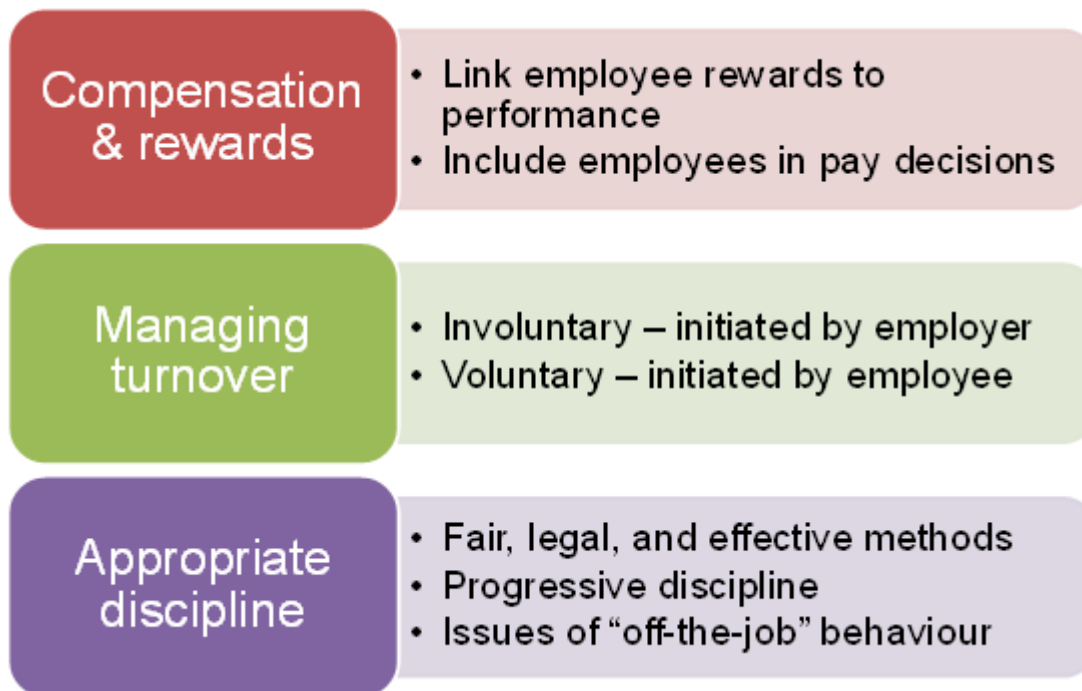


Employee Performance as a Process

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HRM's Contribution to High Performance



Managing Turnover

- Involuntary turnover
 - Initiated by an employer (often with employees who would prefer to stay)
 - i.e. terminating employee for under-performance
 - Provide outplacement counselling
- Voluntary turnover

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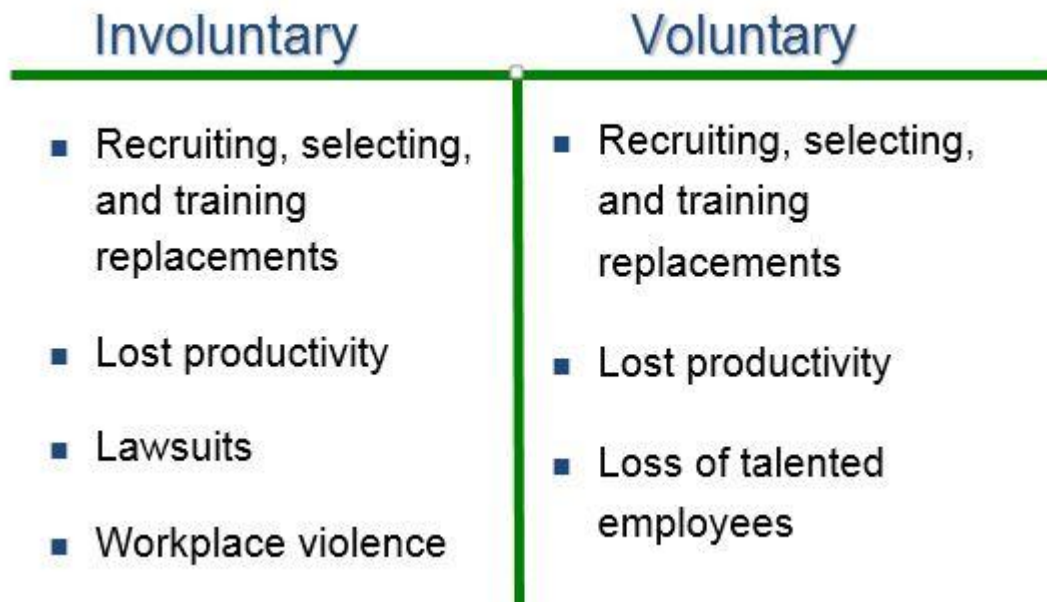
- Initiated by employees (often when the organization would prefer to keep them)
- i.e. retire, take a job with another organization

Voluntary Turnover Rates

- Employers are not always aware of why top performers leave (Page 130)

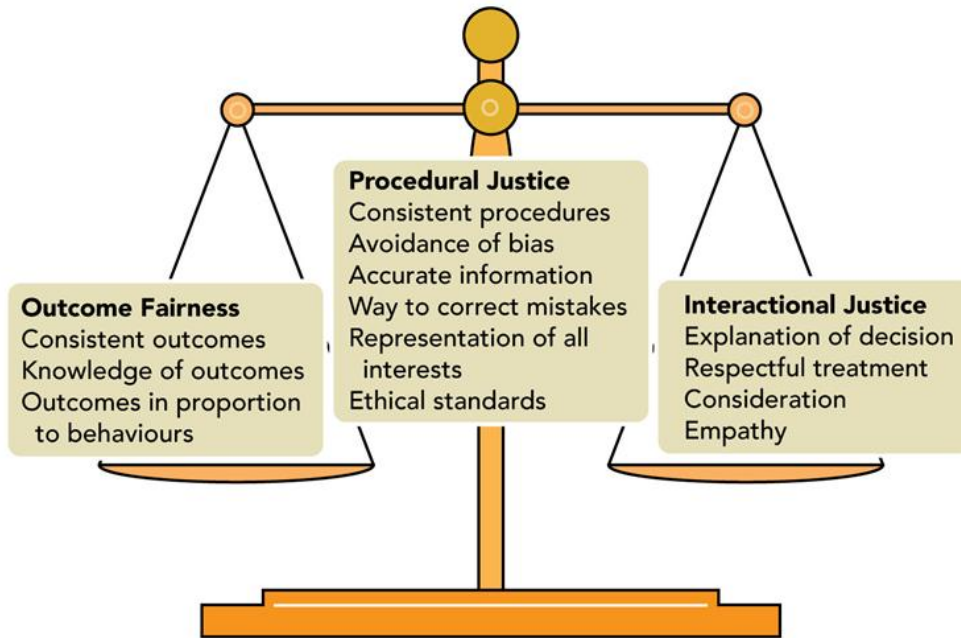
Reason for top performer leaving		
Rank	Employers	Employee
1	Career Development Opportunities	Work-related Stress
2	Promotion Opportunities	Promotion Opportunities
3	Relationship with Supervisor	Base Pay
4	Base Pay	Trust/confidence in management
5	Work-related stress	Job security

Costs Associated with Turnover

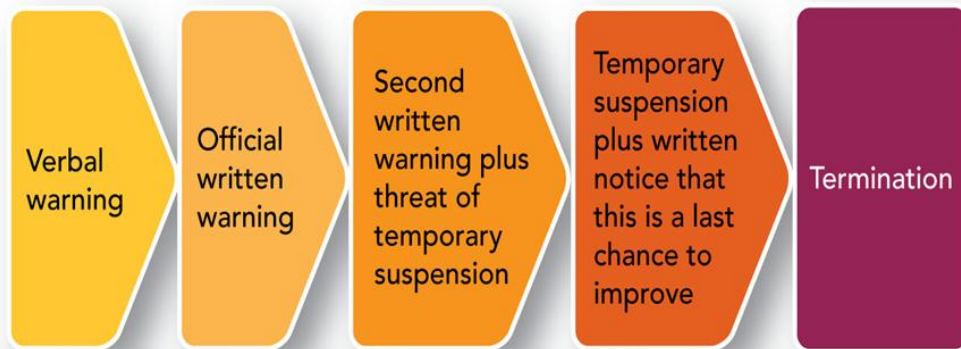


How to Handle Termination

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Handling Employee Discipline Appropriately



HRM's Contribution to High Performance

- Corporate Social Responsibility
 - Sustainable, volunteerism
 - Meaningful work, ethics
- Mergers and Acquisitions
 - HR participates through the entire process - start in due diligence stage
- HRM technology
 - Usually involved automation to improve HR efficiency
 - HRM applications, HRIS, e-HRM

Corporate Social Responsibility

- Corporate Social Responsibility

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- Integrating social, environmental, and economic concerns into an organizations culture, strategy, and operations
- Trends
 - Sustainability
 - Volunteerism
 - Meaningful work
 - Ethics

Mergers & Acquisitions – HR Due Diligence

KEY M&A CONSIDERATIONS	HR'S ROLE
Culture	<ul style="list-style-type: none"> • Assess the similarities and differences between the two companies with respect to issues such as where authority lies and how decisions are made. • Assess the emotional element of how employees feel about the company, leaders, and their openness to the change. • Map out differences between the acquiring company and the target company including how to bridge the gaps. • Create and execute a comprehensive communication plan to share a vision of the future and engage employees.
Analysis and retention of talent	<ul style="list-style-type: none"> • Ensure leadership talent is in place to lead and implement the transition. • Assess each key individual relative to competencies aligned to the needs of the new group. • Identify key people and take steps to retain them. • Put people in the right roles during the merger/acquisition. • Discuss individual job and career options.
Rewards structure	<ul style="list-style-type: none"> • Examine rewards and work environment factors.
Legal issues, e.g., outstanding human rights challenges	<ul style="list-style-type: none"> • Assess all outstanding legal issues including timetable for resolution and stakeholders involved.
Union issues, e.g., collective agreements	<ul style="list-style-type: none"> • Identify key stakeholders including history of relationship, and develop an integration timetable.

HRM & Technology

- HRM applications
 - Transaction processing
 - Computations and calculations involved in reviewing and documenting HRM decisions and practices
 - Decision support systems
 - Software systems designed to help managers solve problems, sensitivity analysis
 - Expert systems
 - Computer systems that support decision making by incorporating the decision rules used by experts in that area

HRM & Technology

- HRM applications (cont'd)
 - Human resource information systems
 - Relational databases
 - store data in separate files that can be linked by common elements
 - Applicant tracking
 - maintaining and retrieving records of job applicants

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- e-HRM (HRM online)
 - Self-service

Effectiveness of HRM

- HRM audit
 - Formal review of the outcomes of HRM functions
 - Based on identifying key HRM functions and measures of organizational performance

HRM Audit – Key Measures of Success

BUSINESS INDICATORS	CUSTOMER SATISFACTION MEASURES
Staffing Average days taken to fill open requisitions Ratio of acceptances to offers made Ratio of employment equity target group applicant representation in local labour market Per capita requirement costs Average years of experience/education of hires	Anticipation of human resource needs Timeliness of referring qualified workers to line supervisors Treatment of applicants Skill in handling terminations Adaptability to changing labour market conditions
Compensation Per capita (average) merit increases Ratio of recommendations for reclassification to number of employees Percentage of overtime hours to regular time Ratio of average salary offers to average salary in community	Fairness of existing job evaluation system Competitiveness in local labour market Relationship between pay and performance Employee satisfaction with pay
Benefits Average workers' compensation payments Benefit cost per payroll dollar Percentage of sick leave to total pay	Promptness in handling claims Fairness and consistency in the application of benefit policies Communication of benefits to employees Assistance provided to managers in reducing potential for unnecessary claims
Training Percentage of employees participating in training programs Percentage of employees receiving tuition reimbursement Training dollars/days per employee	Extent to which training programs meet the needs of employees and the company Communication to employees about available training opportunities Quality of orientation/onboarding programs
Employee Appraisal and Development Distribution of performance appraisal ratings Appropriate psychometric properties of appraisal forms	Assistance in identifying management potential Organizational development activities provided by HRM department
Overall Effectiveness Ratio of human resource staff to employee population Turnover rate Absenteeism rate Ratio of per capita revenues to per capita cost Net income per employee	Accuracy and clarity of information provided to managers and employees Competence and expertise of staff Working relationship between organizations and HRM department

Effectiveness of HRM

- Analyzing the effect of HRM programs
 - Were the objectives achieved?
 - Was economic value delivered: i.e. ROI?
 - Difficulty valuing an organizations human capital