

Human Resources Planning

- Strategic Plans tend to be broader in scope, longer in time frame, and provide overall direction, and apply to the entire organization.
- **Human Resources Planning** is a process to ensure that the people required to run the company are being used as effectively as possible, and where and when they are needed, in order to accomplish the organization's goals.

Linking HR Planning to Strategic Planning

- Strategic Planning involves the allocation of resources, including the people resources of the organization, HR planning is aligned to ensure the objectives are met.
- Line managers need to make plans not only for business objectives but plans for the necessary staffing resources.
- Organizations are concerned about developing leaders for the future and are focusing efforts on training and development programs so that the leaders have the competencies necessary that can keep pace with the direction of the organization.

Importance of Planning for Staffing Needs

- Because of the evolving labour force, this requires managers to become more involved in planning their staffing needs, since such changes affect not only employee recruitment but also methods of employee selection, training, compensation, and motivation.
- An organization may incur several intangible costs as a result of inadequate or no people planning such as causing vacancies to remain unfilled.
- Planning occurs more systematically in medium and larger organizations. Small, entrepreneurial organizations tend to approach HR staffing needs on a more short-term basis.

HR Planning Approaches

- Since overall outcome of HR planning is to have the right people with the right skills at the right time in the right job, there is a need to forecast the demand for employment.
- A **trend analysis** will forecast employment requirements on some type of organizational index, such as sales or units of production.
- In **management forecasts**, the opinions and judgements of people who are knowledgeable about the organization's future needs will develop scenarios that can be used for planning purposes.
- Besides forecasting the demand for employees, an organization will also need to look at the supply of employees.
- **Staffing tables** are graphic representations of all organizational jobs, along with the numbers of employees currently occupying those jobs.

- The **Markov analysis** shows the percentage of employees who remain in each job from one year to the next, as well as the proportions of those who are promoted, demoted, or transferred, or who leave the organization.
- When assessing the organization's supply, organizations will identify the key skills or core competencies necessary for organizational success by using a **skills inventory**.

Results of HR Planning

- The outcome of HR planning is to achieve a useable balance between the demand for and supply of employees.
- The demand for and supply of labour is very much a function of the economic environment.

Ways to Deal with an Oversupply of Labour

- Attrition is the natural departure of employees through people quitting, retiring, or dying.
- Organizations can generally estimate how many people leave and for what reasons.
- Some organizations can avoid downsizing because they know how many people will likely leave.
- High turnover is when too many people leave, and this can cost a company more money than intended.
- It is currently estimated that the costs of turnover can be as high as two times then annual compensation, particularly in high-demand skills areas.

Ways to Deal with Shortages of Labour

- Line managers, together with HR professionals, will identify where a company might look for these candidates.
- **Recruitment** is the process of locating and encouraging potential applicants to apply for existing or anticipated job openings.
- It is important for companies to focus on employee retention as well as focusing on accessing new talent.
- Companies are now transferring the concept of "branding" to its employment framework -- to have a uniform image come into prospective employees' minds when the company name is mentioned (Google).

Recruiting Within the Organization

- By filling vacancies this way, an organization can capitalize on the investment it has made in recruiting, selecting, training, and developing its current employees.

Advantages of Recruiting from Within

- Promoting from within helps encourage employees and rewards them for successful past performance.

- It gives employees a reason to anticipate that similar efforts by them will lead to promotion, thus improving moral within the company.
- Transferring employees eliminates the need to orientate and train a new employee because these employees are already familiar with the company.
- A transferees performance record is most likely more accurate than data gained from an outside applicant.

Methods of Locating Qualified Internal Job Candidates

- Candidates can be located within an organization using computerized record systems and internal job postings.

Human Resource Information Systems

- IT has made it possible for organizations to create databases that contain the complete records and qualifications of each employee within an organization.
- Organizations have developed a resume tracking system that allow managers to access an online database of resumes.
- These databases allow organizations to quickly and efficiently locate possible candidates to fill an internal opening.

Succession Planning

- Succession planning is the process of identifying, tracking and developing key employees for future promotions.
- Succession plans rely upon the organization identifying its long-term goals, outlining the competencies required to achieve those goals, and making sure the employee is developed in order to assume other roles and take on other responsibilities.

Internal Job Postings

- Organizations may advertise about job openings through a process referred to as **Internal Job Postings**.
- Companies are developing computerized job posting systems and maintaining voluntarily lists of employees looking for upgraded positions.
- Internal job postings are more effective when they are part of a career development program in which employees are made aware of opportunities available to them within the organization.

Limitations of Recruiting from Within

- Some jobs require specialized training and experience that can not be filled from within the organization and that must be filled from the outside.
- Even though a company posts an internal job posting, it is important for the organization to consider options from outside the organization as well.
- Potential candidates should be considered from the outside in order to prevent the inbreeding of ideas and attitudes.

- Technical and managerial positions can be sources of new ideas and may bring with them the latest knowledge acquired from their previous employers.

Recruiting Outside the Organization

- External recruitment is organized and coordinated by the HR department with the line manager frequently giving suggestions about where to recruit, such as an ad in a newspaper or professional journal.
- Hiring someone from the outside is seen as bringing in new ideas, different styles, and new energy.

Limitations of Recruiting from Within

- Advantage: The individual coming in to fill the position possesses some unique skills that the company needs now.
- Disadvantage: The lack of solid information about the person's performance on the job.
- There are significant costs involved with hiring from the outside such as advertising, and familiarizing the person with the company.

Labour Market

- The **labour market** is the area where people are being recruited from and will vary with the position being filled and the level of compensation being paid.
- The search for highly skilled labour or executives can extend nationally or even internationally.
- The search for low skilled jobs is more regional and does not extend nationally or internationally.
- During times of high unemployment, firms can maintain the supply of highly skilled applicants through unsolicited applicants alone.
- During times of low unemployment, firms seek help from firms who specialize in recruitment.
- Canada has heavily relied on Immigration in meeting the demand for labour.
- Canada has an aging population with insufficient younger workers to fill the work requirements in the future.

Outside Sources of Recruitment

Advertisements

- One very common way to attract applicants is through advertisements.
- Some degree of selectivity can be achieved by using newspapers and journals directed towards a particular group of readers.
- Among the information typically included in advertisements is a statement that the recruiting organization is an equal-opportunity employer.

- HRSDC provides assistance to employers in approving special work permits to enable people from other countries to move to Canada for employment.

Internet

- The internet is the most commonly used search tactic by job seekers; 60% of Canadians with internet access have gone online and searched for a job.
- Many companies use their own websites to announce available positions under their “careers” section.
- Employers claim that the internet is faster, generates higher quality applicants, and is less expensive than traditional advertising methods.

Employment Agencies

- Employment agencies, including executive search firms and temporary employment agencies, attempt to match applicants with the specific needs of a company.
- Executive search firms are employment agencies that typically focus on senior-level and executive-level positions.
- Since high-calibre executives are in short supply, a significant number of the nation’s largest corporations are using executive search firms to fill their top positions.
- “Temps” are typically used for short-term assignments or to help when managers cannot justify hiring a full-time employee.
- Increasingly, temps are being employed to fill positions once staffed by permanent employees.
- This practice is growing because temporaries can be laid off quickly, and with less cost, when work lessens.
- Employment costs associated with temps can be lower because temps are not usually provided with benefits and can be dismissed without the need to file employment insurance claims.
- The drawbacks to temps is that they have no commitment to the company and may pass on confidential information to the next employer they go to work for.

Educational Institutions

- Educational institutions are a source of young applicants with formal training but relatively little full-time work experience.
- High schools are a source of blue collar jobs where colleges are a source of candidates for technical jobs.
- A Canada wide survey found that “opportunities for advancement” were at the top of students concern followed by “good people to work with”.

Open Houses and Job Fairs

- Organizations use open houses and job fairs to recruit new employees, particularly if the organizations is expanding or looking for a particular set of skills.

- An organization might have an open house where potential applicants are encouraged to visit the company and see what is available for them.

Employee Referrals

- The recruitment efforts of an organization can be aided by employee referrals.
- Managers have found that the quality of employee-refereed applicants is normally quite high, since no employer wants to give a crappy employee a good referral.
- The effectiveness of a recruitment effort can be increased by paying commission to employees when they make a successful “recruitment sale”.

Unsolicited Applications and Resumes

- Many employers receive unsolicited applications and resumes from individuals who may or may not be good prospects for employment.
- Many job search strategies suggest that individuals use this method to introduce themselves to organizations that are of interest to them.

Professional Organizations

- Many professional organizations and societies offer a placement service to members as one of the benefits of being a member.
- Listings of members seeking employment may be advertised in their journals or publicized at their national meetings.

Unions

- If a company is unionized and has employees that belong to labour unions, those unions can be a principal source of applicants for blue-collar and some professional jobs.

Recruitment for Diversity

- As organizations continue to have a diverse workforce, employers will often focus on attracting potential staff in communities of different ethnic and cultural backgrounds.
- While Canada does not have a quota system, under the employment equity legislation, there is an expectation that over time those organizations that fall under the legislation have a workforce that is reflective of the general population of Canada.
- A recent study of the S&P 500 over the last five years, companies that aggressively sought and supported a diverse workforce outperformed the other companies in the study.
- It will now be important for line managers and supervisor to be knowledgeable about and supportive of their organization’s objectives to have employees with diverse ethnic and cultural background.

Matching People and Jobs

- **Selection** is the process of choosing individuals who have relevant qualifications to fill existing or projected job openings.

- The objective is to have information that will predict job performance of the candidate in the organization.
- Prior to the selection process, it is important to reconfirm the necessary knowledge, skills, and abilities for the job.

The Selection Process

- Organizations use many forums to accompany the selection process that include application forms, resumes, interviews, tests, and reference checks.
- It is essential that the information obtained is sufficiently reliable and valid.

Obtaining Reliable and Valid Information

- The degree to which interviews, tests, and other selection procedures yield comparable data over a period of time is known as **reliability**.
- **Validity** refers to what a test or other selection procedure measures and how well it measures it.
- Validity is essentially an indicator of the extent to which data from a procedure (interview or test, for example) predict job performance.
- Whether something is valid depends upon the selection tool's overall reliability.

Sources of Information about Job Candidates

Application Forms and Resumes

- Application forms provide information for deciding whether an applicant meets the minimum requirements for experience, education, and so on.
- Applications provide a basis for questions the interviewers will ask about the applicant's background.
- Resumes are prepared by the applicant and provide job-related information about the job seeker.

Interviewing Methods

One-On-One

- One-on-one occurs between the applicant and an interviewer.
- The structure of the questions could be behavioral description interview, situational, or non-directive.

Panel or Group Interview

- This type of interview involves a panel of interviewers who question and observe a single candidate.
- The candidate meets with the panel and the members of the panel take turns asking the candidate questions.
- Once the interview is complete, the viewers pool their observations together and reach a consensus about the suitability of the candidate.

Telephone Interview

- Many companies use a telephone interview as the first interview in the screening process.

Internet Based Interview

- Technology has enabled organizations to pre-screen or assess applicants online.
- Some companies will assess online using the GMA (general mental ability) tool or personality profiles.
- The answers gained from these tests are compared to an ideal set of results.
- Depending on the software used, computer interviews conducted in conjunction with online tests can measure everything from contradictory responses to time delays related in answering to the applicants keyboard skills.

Types of Interview Questions

Structured Questions

- Companies will create structured questions to determine if the applicant has the competencies to do the work.
- Because structured questions can have an ideal answer, this allows the interviewer to rate the applicant, which provides a more consistent basis for evaluating job candidates.
- Structured questions are more likely to provide the type of information needed for making sound decisions.
- They reduce the possibility of legal charges of discrimination.
- **Behavioral Description Interview (BDI)** questions focus on real work incidents, not hypothetical situations as a situational interview question does.
- “Tell me about the last time you disciplined an employee”
- These types of questions are being asked because:
 - Questions are being based on the job requirements directly related to the skills necessary.
 - Answers are more easily rated against established criteria.
 - Minimizes bias on the part of the interviewer.
- With a **situational question**, an applicant is given a hypothetical incident and asked to respond to it.

Unrestricted Questions

- These types of questions are broad and open-ended and allow the candidate to talk freely with little interruption from the interviewer.
- The interviewer listens carefully and does not argue, interrupt, or change the subject abruptly.

- Some recruitment specialists believe that this method gives organizations better insight into who the person is.

Types of Employment Tests

- **Aptitude** which is the capacity to learn or acquire skills.
- **Achievement** which is what a person knows or can do right now.

Cognitive Ability Tests

- Cognitive ability tests measure mental capabilities, such as general intelligence verbal fluency, numerical ability, and reasoning ability.
- GMAT (General Management Aptitude Test)

Personal and Interest Inventories

- Personality tests measure personal characteristics such as extroversion, agreeableness, and openness to experience.
- Personality tests can be problematic if they inadvertently discriminate against individuals who would otherwise perform effectively.

Emotional Intelligence

- Emotional intelligence has many definitions but the one most commonly used describes it as a composite of emotional reasoning abilities: perceiving, understanding and regulating emotions.

Physical Ability Tests

- In addition to learning about a job candidate's mental capabilities, employers may need to assess a person's physical abilities as well.
- Many organizations are no longer doing medical exams due to privacy issues or potential challenges of discrimination.

Job Sample Tests

- Job sample tests require the applicants to perform tasks that are actually a part of the work required on the job.
- Job sample tests are constructed from a carefully developed outline that experts agree includes the major job functions; the tests are thus considered content-valid.

Substance Abuse Testing

- The Canadian Human Rights Commission and some provincial counterparts have issued policies that do not allow for drug testing.
- Only when the program that an applicant is entering is a negotiated rehabilitation program is drug testing allowed.

Reference Checks

- Organizations use both mail and telephone to check references.
- References have been proven to **not** accurately predict employee performance.

- An employer has no legal obligation to provide an employee with a reference.
- Telephone interviews are more effective in checking references.
- “Would you rehire this employee?”

Summarizing Information About Applicants

- Fundamentally, an employer is interested in what an applicant both can and will do.
- The “can-do” factors include knowledge and skills, as well as the aptitudes for accruing new knowledge and skills.
- The “will-do” factors include motivation, interest, and other personality characteristics.
- OUCH Test: Objective, Uniform in application, Consistent in effect, Has job relatedness.
- It is much easier to measure the “can-do” rather than the “will-do”.

The Final Decision

- The line manager makes the final decision as to who gets hired.
- The HR department will confirm the details of the job, work arrangements, wages and do on, and specify a deadline by which the applicant must reach a decision.