

Human Resource Management

HRM 611

Lecture 4: Workforce Planning & Recruitment

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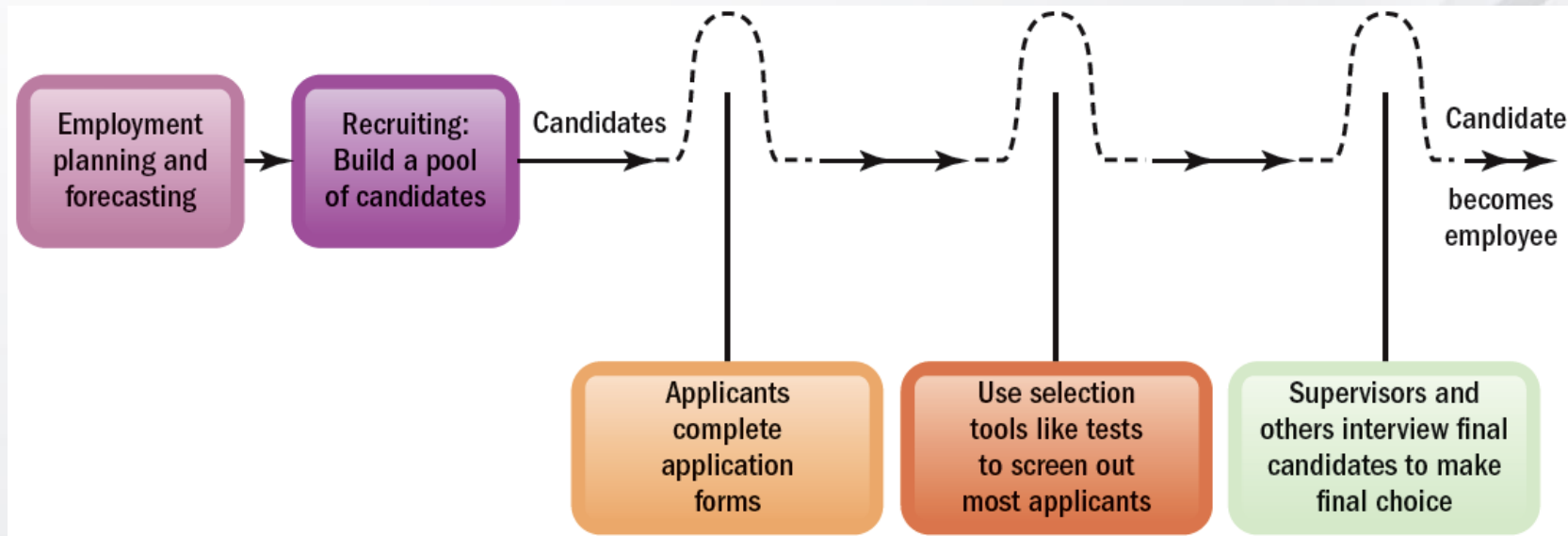
Ch.
04**Main Topics**

1. List the steps in the recruitment and selection process.
2. Explain the main techniques used in employment planning and forecasting.
3. Explain and give examples for the need for effective recruiting.
4. Name and describe the main internal sources of candidates.
5. List and discuss the main outside sources of candidates.
6. Develop a help wanted ad.
7. Explain how to recruit a more diverse workforce.

The Recruitment and Selection Process

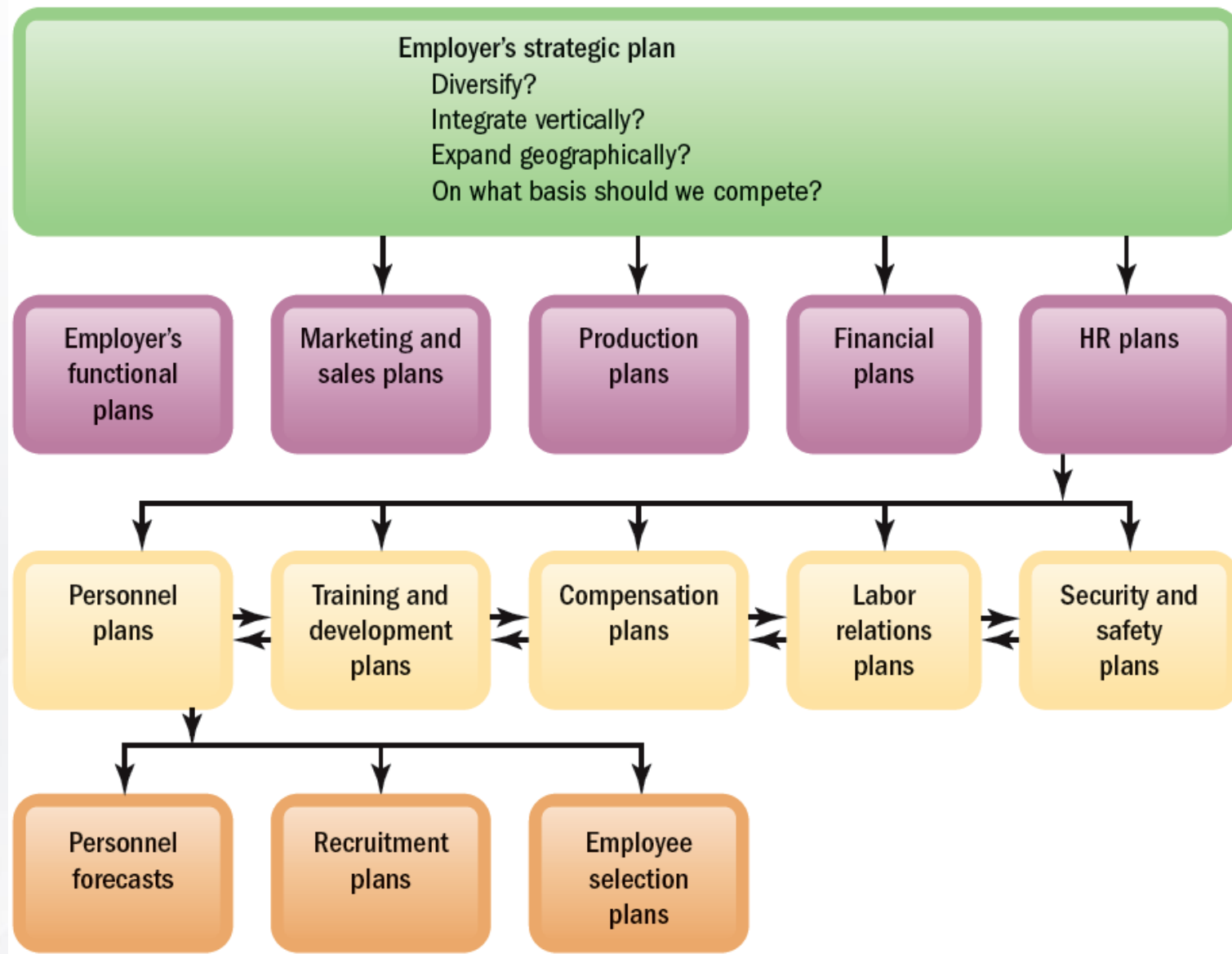
1. Decide what positions to fill through personnel planning and forecasting.
2. Build a candidate pool by recruiting internal or external candidates.
3. Have candidates' complete application forms and undergo initial screening interviews.
4. Use selection tools to identify viable candidates.
5. Decide who to make an offer to, by having the supervisor and others interview the candidates.

Steps in Recruitment and Selection Process



The recruitment and selection process is a series of hurdles aimed at selecting the best candidate for the job.

Linking Employer's Strategy to Plans



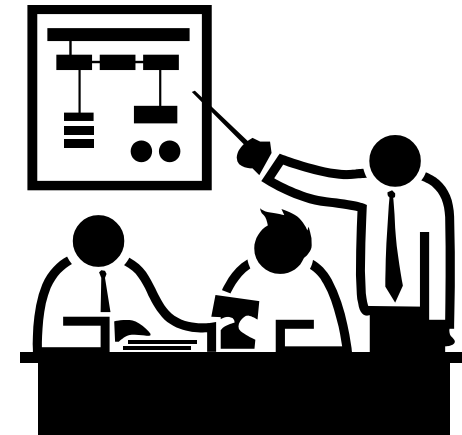
Workforce Planning and Forecasting

- **Employment or Personnel Planning**

The process of deciding what positions the firm will have to fill, and how to fill them.

- **Strategic Alignment:** Effective workforce planning should be closely aligned with the organization's overall strategy. Changes in business direction, such as entering new markets or reducing costs, will directly impact the types of positions required.

- For example, a company expanding internationally will need to hire personnel for its overseas operations.



Workforce Planning and Forecasting

Forecasting Needs: Workforce planning requires forecasting three key areas:

- **Personnel Needs:** Estimating the number and types of employees needed to achieve organizational objectives.
- **Internal Supply:** Assessing the availability of qualified candidates within the organization.
- **External Supply:** Evaluating the potential pool of candidates available in the external labor market.

Gap Analysis: Once these forecasts are made, the next step is to identify any gaps between the projected demand for labor and the available supply. This analysis helps determine the actions necessary to fill the anticipated staffing needs.

Forecasting Personnel Needs

Labor demand forecasting estimates the number of employees needed to meet product/service demand.

Influencing factors: Strategic goals, turnover rates, productivity levels.
Short-term forecasting: Focuses on daily, weekly, and seasonal forecasts.

Long-term forecasting: Analyzes industry trends, economic indicators, and potential business changes.

Importance: Helps organizations anticipate changes and adjust workforce plans accordingly.

Forecasting Personnel Needs Tools

Trend Analysis

Trend analysis involves examining changes in employment levels over time to identify patterns and trends. By analyzing historical data, organizations can gain insights into future staffing requirements. However, it's important to consider other factors that may influence employment levels, such as productivity, demographics, and voluntary turnover.

Ratio Analysis

Ratio analysis is another simple forecasting method that involves comparing historical relationships between a causal factor (like sales volume) and the number of employees required. By analyzing these ratios, organizations can estimate future staffing needs based on projected changes in the causal factor. However, it's important to note that productivity changes can affect these ratios.

Forecasting Personnel Needs Tools

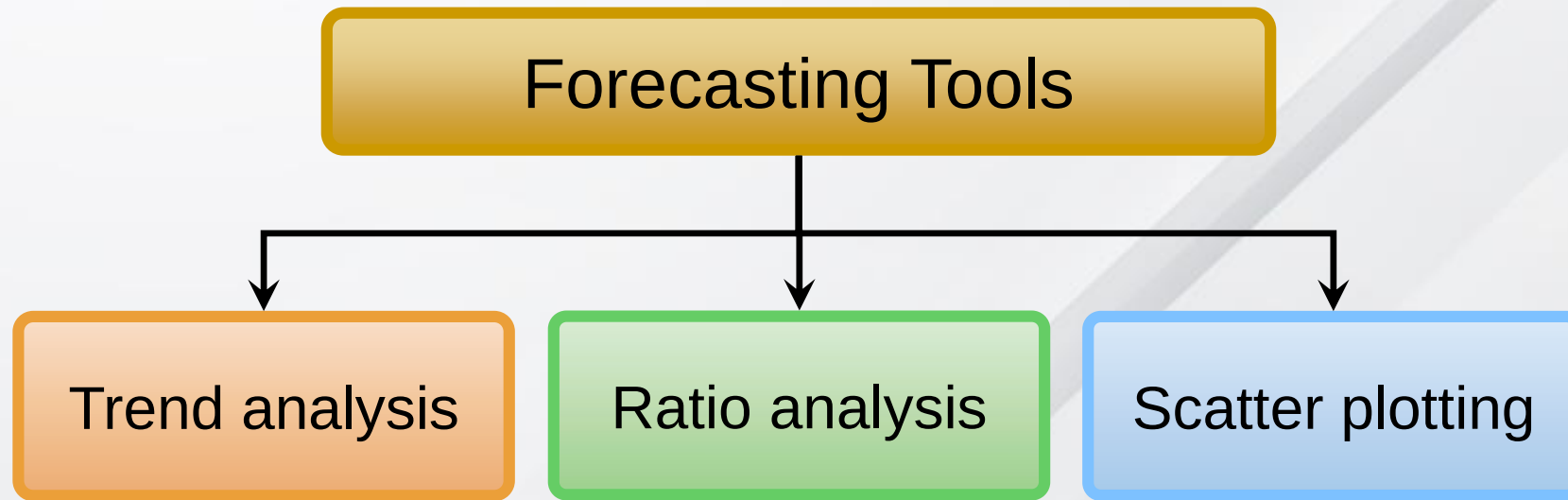
Scatter Plots

Scatter plots are visual representations of the relationship between two variables, such as sales and staffing levels. By analyzing scatter plots, organizations can identify patterns and estimate future staffing needs based on projected changes in business activity.

Managerial Judgment

While forecasting tools provide valuable insights, managerial judgment is essential for interpreting the results and making informed decisions. Historical trends, ratios, and relationships may not continue indefinitely, and subjective factors should be considered when making adjustments to forecasts.

Forecasting Personnel Needs



Drawbacks to Traditional Forecasting Techniques

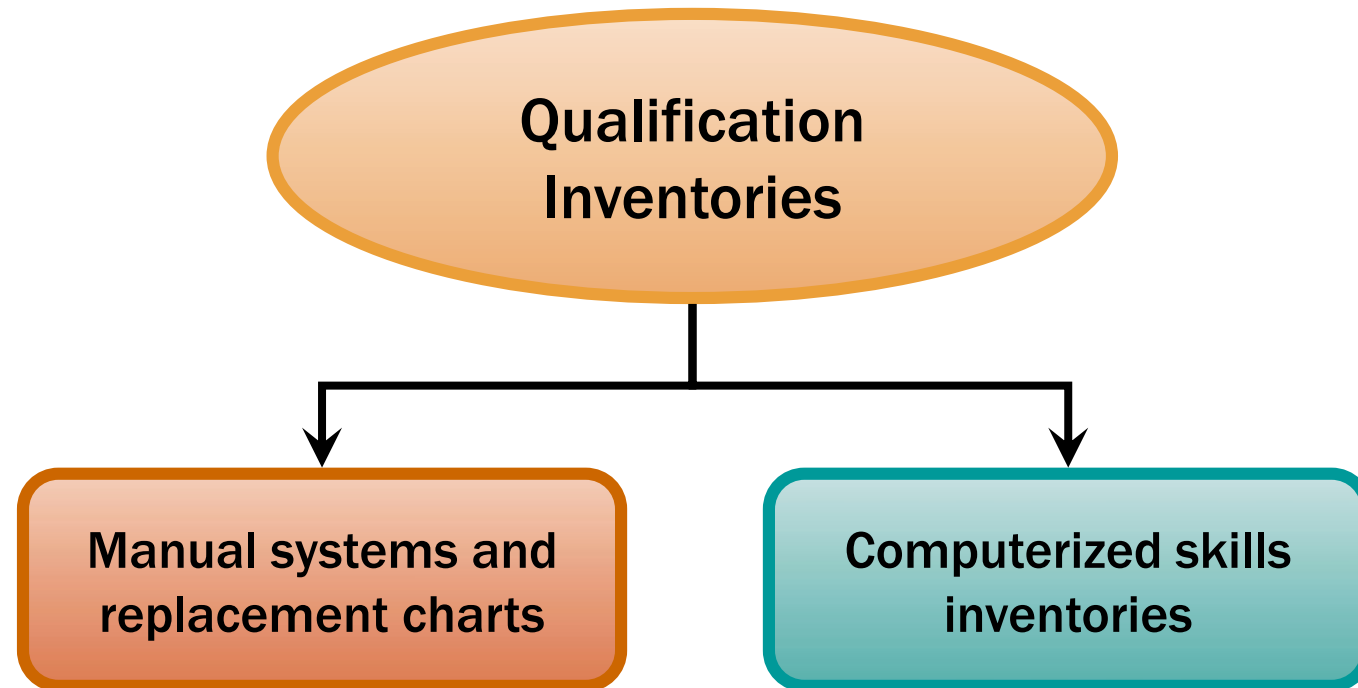
- They focus on projections and historical relationships.
- They do not consider the impact of strategic initiatives on future staffing levels.
- They validate and institutionalize present planning processes and the usual ways of doing things.

Using Computers to Forecast Personnel Requirements

Computerized Forecasts

- Software that estimates future staffing needs by:
- Projecting sales, volume of production, and personnel required to maintain different volumes of output.
- Forecasting staffing levels for direct labor, indirect staff, and exempt staff.
- Creating metrics for direct labor hours and three sales projection scenarios minimum, maximum, and probable.

Forecasting Internal Supply of Candidates



Forecasting Internal Supply of Candidates

- **Assess internal candidates:** Evaluate skills, experience, and qualifications.
- **Prioritize internal hires:** Cost-effective, boosts morale.
- **Understand employee skills:** Conduct reviews, gather information.
- **Use qualifications inventories:** Centralized database for candidate identification.
- **Utilize replacement charts:** Track potential successors for key positions.
- **Consider position replacement cards:** Detailed information on potential replacements.

Computerized skills inventories

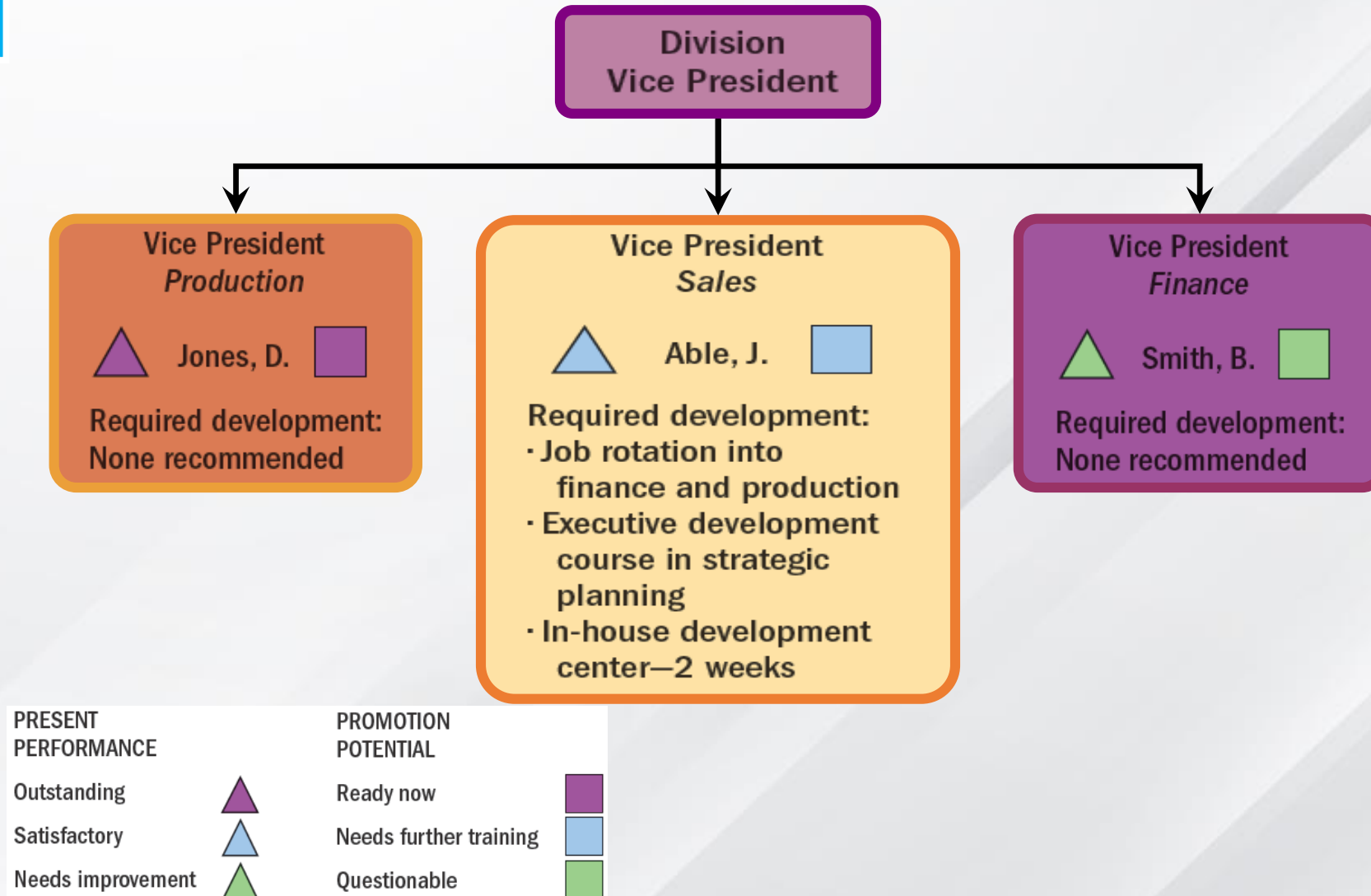
Benefits:

- Improved efficiency for tracking qualifications of many employees.
- Enhanced planning for anticipating shortages and facilitating recruitment and training.

How it works:

- **Data entry:** Employees, supervisors, and HR managers input employee information.
- **Search functionality:** Managers search for qualified candidates based on specific job requirements.

Management Replacement Chart



Forecasting Outside Candidate Supply

The availability of qualified external candidates depends on several factors:

Manager's Judgment: Managers rely on their understanding of the economic climate, industry trends, and local job market conditions, like economic conditions and unemployment rate.

Formal Labor Market Analyses: Information from organizations like the U.S. Bureau of Labor Statistics (BLS) and O*NET can provide valuable insights

Predictive Workforce Monitoring

Talent management approach: Emphasizes continuous monitoring of workforce planning issues. This involve Proactive identification and addressing of challenges.

Key benefits:

- Proactive problem-solving
- Improved efficiency
- Enhanced talent acquisition
- Strategic alignment

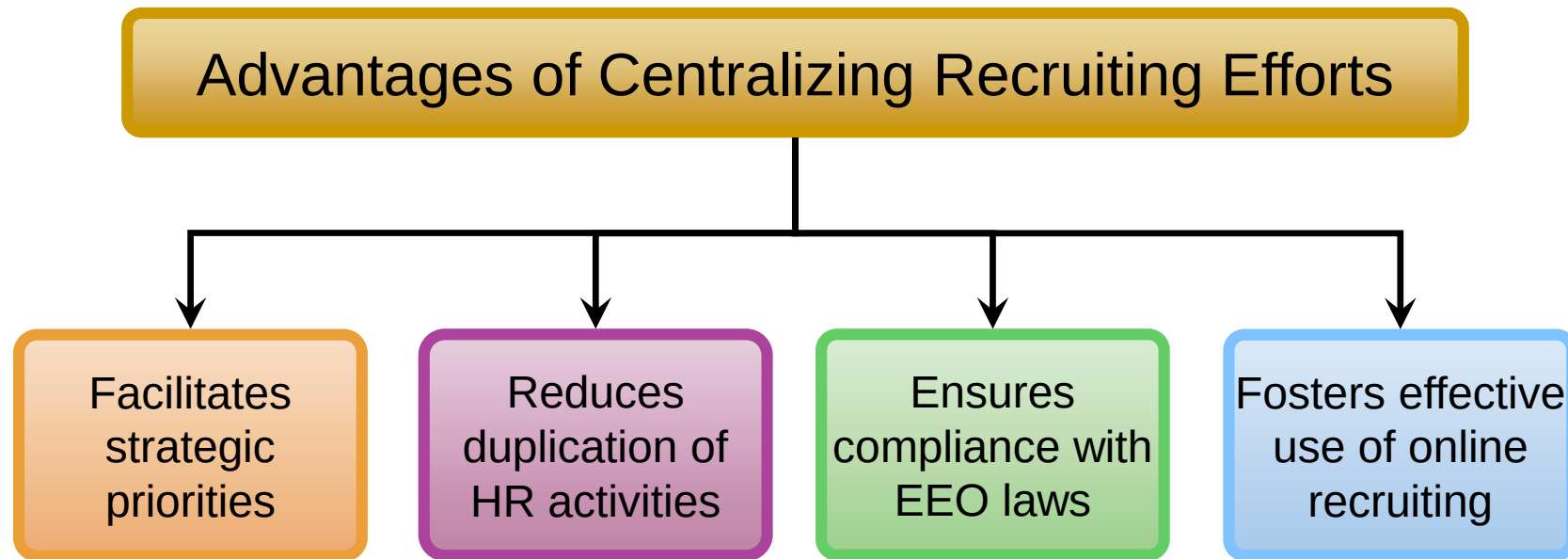
Developing an Action Plan to Match Projected Labor Supply and Labor Demand

- **Workforce Action Plan:** Outlines specific steps to address labor supply-demand gaps.
- **Position Identification:** Specifies positions to be filled.
- **Internal and External Sources:** Identifies potential candidates within and outside the organization.
- **Training and Development:** Outlines necessary training and development activities.
- **Promotional Activities:** Details promotions or transfers required.
- **Resource Allocation:** Estimates costs associated with implementing the staffing plan.

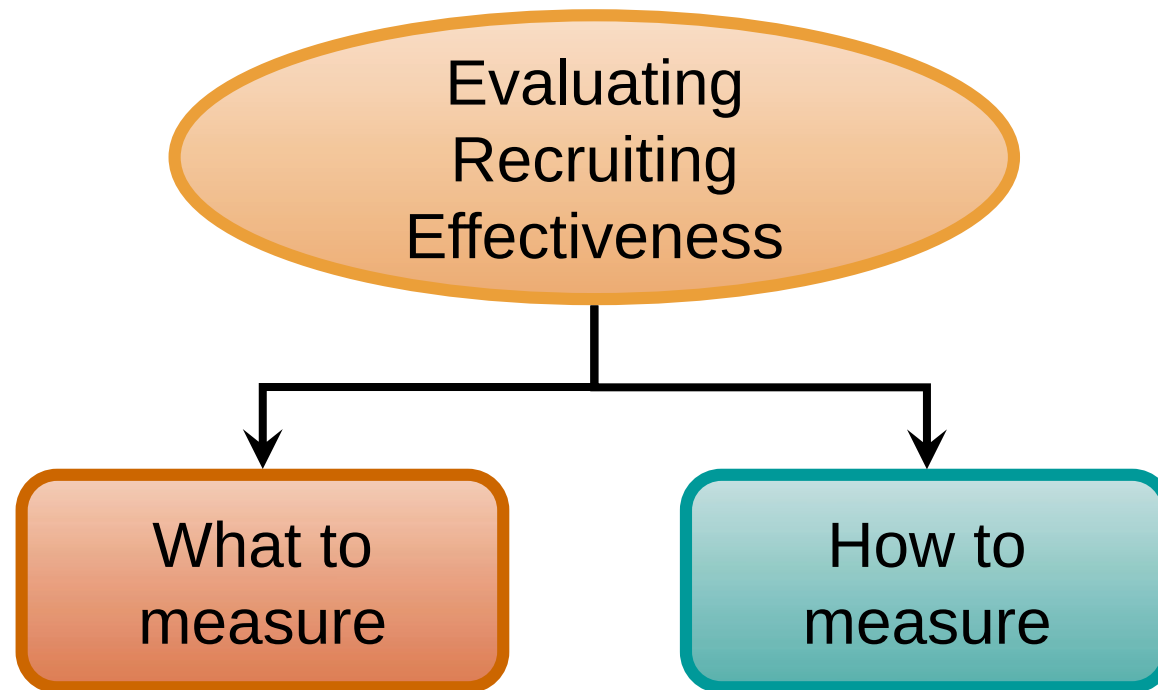
Effective Recruiting

- **External Factors Affecting Recruiting**
 - Supply of workers
 - Fewer “qualified” candidates
- **Other Factors Affecting Recruiting Success**
 - Consistency of recruitment with strategic goals
 - Types of jobs recruited and recruiting methods
 - Non recruitment HR issues and policies
 - Successful prescreening of applicants
 - Public image of the firm
 - Employment laws

Organizing How You Recruit



Measuring Recruiting Effectiveness



Measuring Recruiting Effectiveness

Importance of Measurement: Evaluating recruiting effectiveness is crucial for optimizing hiring efforts.

Quantitative Analysis: Using metrics like applicant generation, new-hire performance, turnover, and time to fill can assess recruiting source effectiveness.

Internal Sources of Candidates

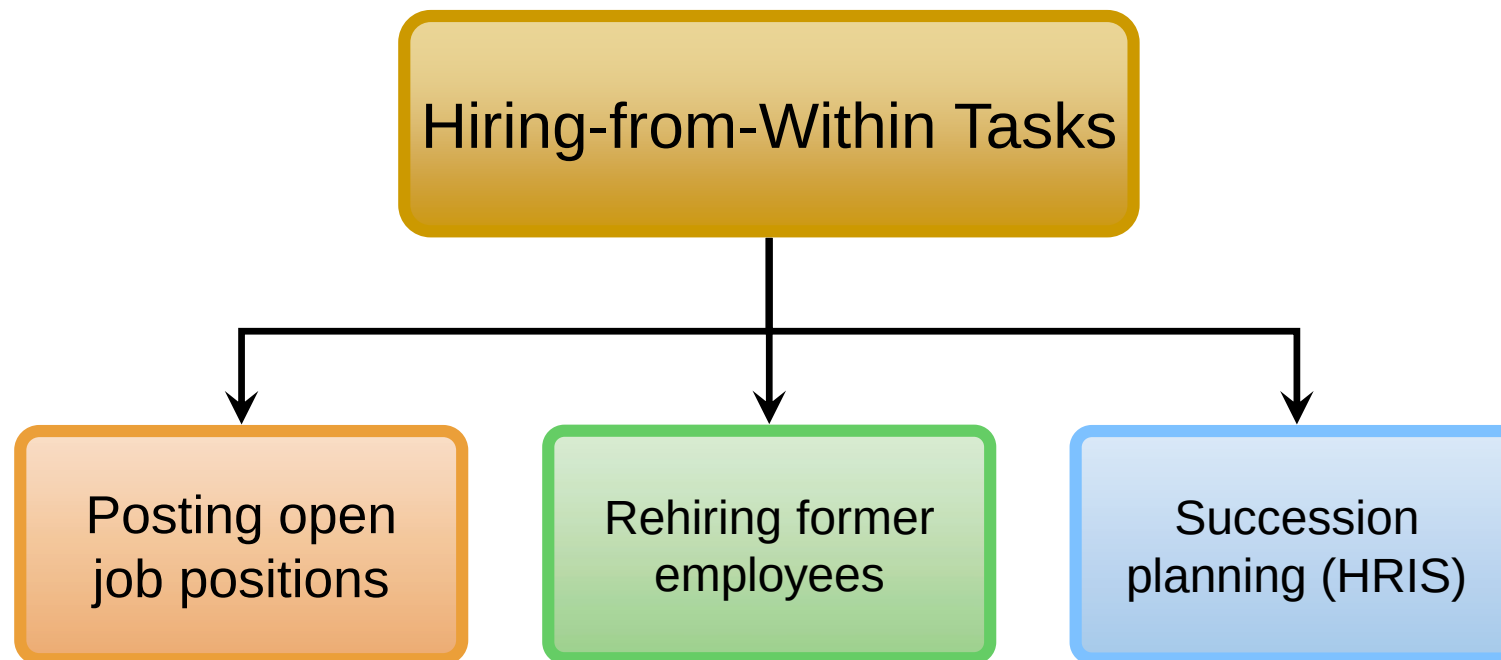
Advantages

- Foreknowledge of candidates' strengths and weaknesses
- More accurate view of candidate's skills
- Candidates have a stronger commitment to the company
- Increases employee morale
- Less training and orientation required

Disadvantages

- Failed applicants become discontented
- Time wasted interviewing inside candidates who will not be considered
- Inbreeding strengthens tendency to maintain the status quo

Finding Internal Candidates



Finding Internal Candidates

Job Posting:

- Clear and concise job postings.
- Wide distribution within the organization.
- Encourage applications, even if requirements aren't fully met.

Skills Inventories:

- Comprehensive data on education, certifications, work experience, and performance.
- Easy accessibility for managers and HR professionals.

Finding Internal Candidates

Rehiring Former Employees:

- Consider reason for departure and time lapse.
- Conduct thorough reference checks.
- Example: Rehiring a laid-off employee who performed well and is eager to return.

Succession Planning

- Identification of key positions.
- Development of candidates through targeted opportunities.
- Assessment and selection of most suitable individuals.
- Example: Succession plan for CEO position, including development, assessment, and selection.

Outside Sources of Candidates

Locating Outside Candidates

-
- 1 → Recruiting via the Internet
 - 2 → Advertising
 - 3 → Employment Agencies
 - 4 → Temp Agencies and Alternative Staffing
 - 5 → Offshoring/Outsourcing
 - 6 → Executive Recruiters
 - 7 → On Demand Recruiting Services (ODRS)
 - 8 → College Recruiting
 - 9 → Referrals and Walk-ins

Recruiting via the Internet

- **Advantages**

- Cost-effective way to publicize job openings
- More applicants attracted over a longer period
- Immediate applicant responses
- Online prescreening of applicants
- Links to other job search sites
- Automation of applicant tracking and evaluation

- **Disadvantages**

- Exclusion of older and minority workers
- Unqualified applicants overload the system
- Personal information privacy concerns of applicants

Advertising for Outside Candidates

- **The Media Choice**

- Selection of the best medium depends on the positions for which the firm is recruiting.
 - Newspapers: local and specific labor markets
 - Trade and professional journals: specialized employees
 - Internet job sites: global labor markets

- **Constructing (Writing) Effective Ads**

- Create attention, interest, desire, and action.
- Create a positive impression (image) of the firm.

Are You Our Next Key Player?

PLANT CONTROLLER

Northern New Jersey

Are you looking to make an impact? Can you be a strategic business partner and team player, versus a classic, "bean counter"? Our client, a growing **Northern New Jersey** manufacturer with two locations, needs a high-energy, self-initiating, technically competent Plant Controller. Your organizational skills and strong understanding of general, cost, and manufacturing accounting are a must. We are not looking for a delegator, this is a hands-on position. If you have a positive can-do attitude and have what it takes to drive our accounting function, read on!

Responsibilities and Qualifications:

- Monthly closings, management reporting, product costing, and annual budget.
- Accurate inventory valuations, year-end physical inventory, and internal controls.
- 4-year Accounting degree, with 5–8 years experience in a manufacturing environment.
- Must be proficient in Microsoft Excel and have general computer skills and aptitude.
- Must be analytical and technically competent, with the leadership ability to influence people, situations, and circumstances.

If you have what it takes to be our next key player, tell us in your cover letter, *"Beyond the beans, what is the role of a Plant Controller?"* Only cover letters addressing that question will be considered. Please indicate your general salary requirements in your cover letter and email or fax your resume and cover letter to:

Ross Giombetti

Giombetti Associates

2 Allen Street, P.O. Box 720

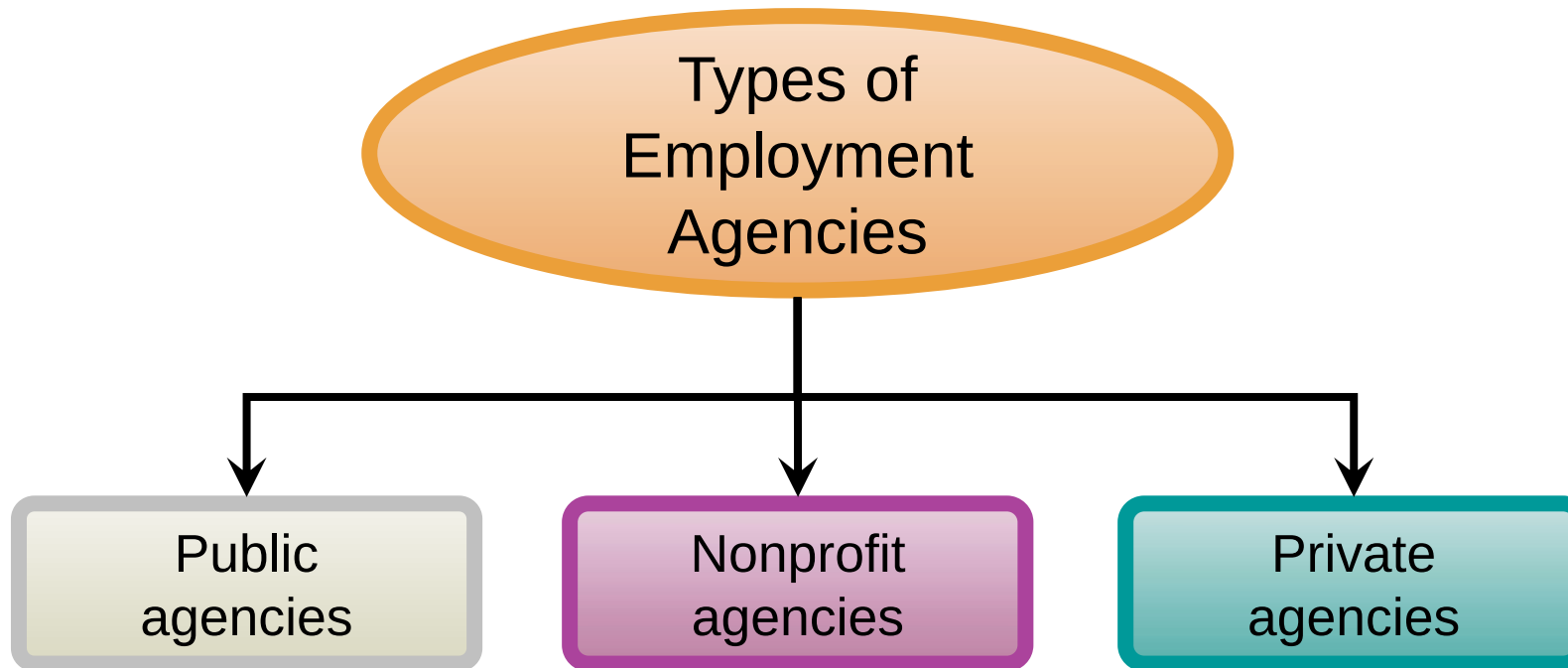
Hampden, MA 01036

Email: Rossgiomibetti@giombettiassoc.com

Fax: (413) 566-2009



Employment Agencies



Why Use a Private Employment Agency?

- No HR department: firm lacks recruiting and screening capabilities to attract a pool of qualified applicants.
- To fill a particular opening quickly.
- To attract more minority or female applicants.
- To reach currently employed individuals who are more comfortable dealing with agencies than competing companies.
- To reduce internal time devoted to recruiting.

Avoiding Problems with Employment Agencies

- Give agency an accurate and complete job description.
- Make sure tests, application blanks, and interviews are part of the agency's selection process.
- Review candidates accepted or rejected by your firm or the agency for effectiveness and fairness of agency's screening process.
- Screen agency for effectiveness in filling positions.
- Supplement the agency's reference checking by checking the final candidate's references yourself.

Specialized Staffing and Recruiting

- **On-Demand Recruiting Services (ODRS)**
 - Provide short-term specialized recruiting to support specific projects without the expense of retaining traditional search firms.

Temp Agencies

- **Benefits of Temps**

- Increased productivity—paid only when working
- Allows “trial run” for prospective employees
- No recruitment, screening, and payroll administration costs

- **Costs of Temps**

- Increased labor costs due to fees paid to temp agencies
- Temp employees’ lack of commitment to the firm

Offshoring and Outsourcing Jobs



Executive Recruitment

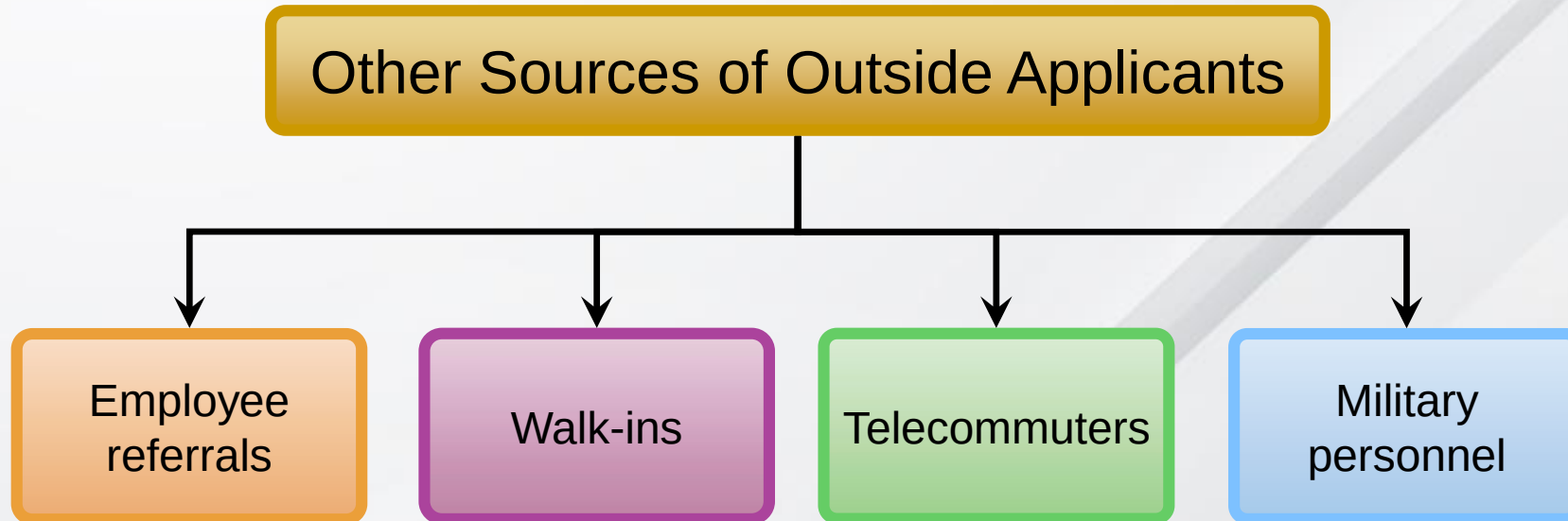
- **Executive Recruiters (Headhunters)**
 - Contingent-based recruiters
 - Retained executive searchers
 - Internet technology and specialization trends

College Recruiting

- **On-campus recruiting goals**
 - To determine if the candidate is worthy of further consideration
 - To attract good candidates
- **On-site visits**
 - Invitation letters
 - Assigned hosts
 - Information packages
 - Planned interviews
 - Timely employment offer
 - Follow-up
- **Internships**



Sources of Outside Applicants



Employee Referrals and Walk-ins

Employee Referrals

Pros:

- Stakeholders: Employees feel invested
- Cost-effective: Reduced recruitment costs
- Diversity: Can speed up diversity efforts

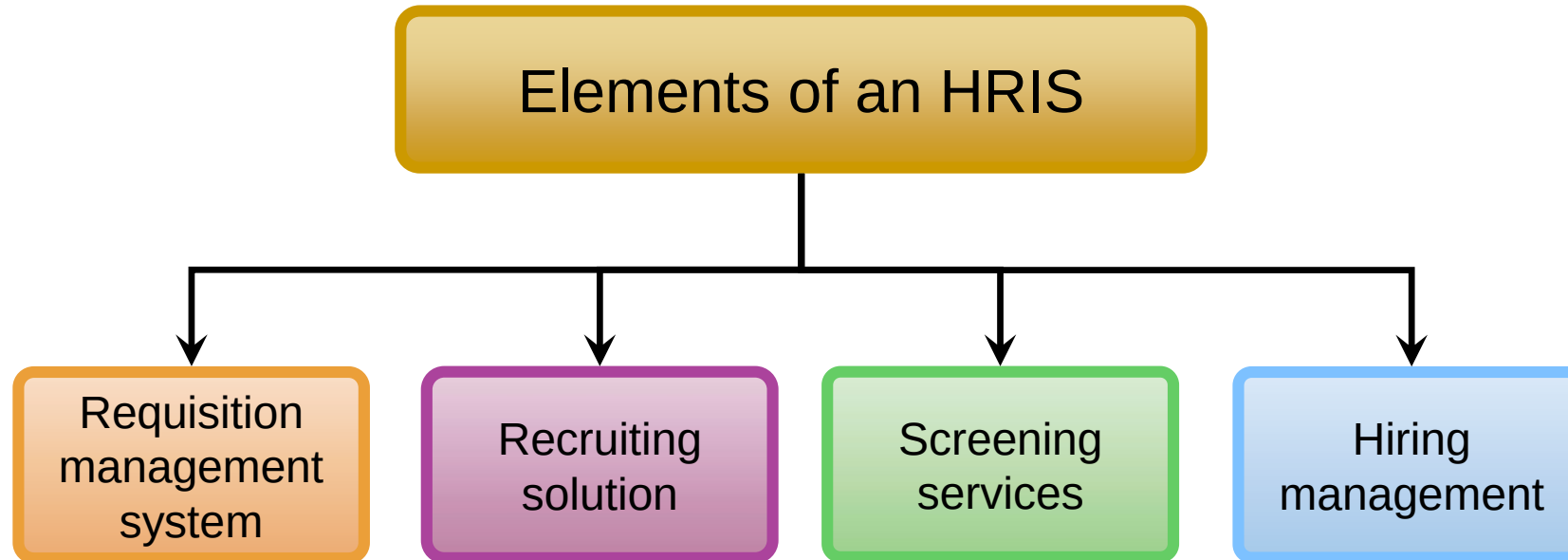
Cons:

- Bias: May perpetuate existing biases, and limit the pool of potential candidates.

Walk-ins

- Seek employment through a personal direct approach to the employer.
- Courteous treatment of any applicant is a good business practice.

Improving Productivity Through HRIS:



Chapter Summary

- The **recruitment and selection process** entails five main steps: decide what positions to fill; build a pool of candidates for these jobs; have candidates complete application forms; use selection tools; and decide to whom to make an offer, in part by having the supervisor and others interview the candidates.
- Recruitment and selection starts with workforce planning and forecasting. Workforce planning is the process of deciding what positions the firm will have to fill, and how to fill them. This often starts by forecasting personnel needs.

Chapter Summary

- All managers need to understand why **effective recruiting is important**. Without enough candidates, employers cannot effectively screen the candidates or hire the best.
- Filling open positions with internal sources of candidates has several advantages. For example, you're probably already more familiar with their strengths and weaknesses, and they require less orientation. Finding internal candidates often utilizes job posting.

References

Main Reference

- Dessler, G. (2011). Human resource management. Thirteenth edition. Pearson International Edition.

Additional Resources for extra reading.

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- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2023). Human Resource Management in Canada (10th Ed.). McGraw-Hill Ryerson.

Thank You