Introduction

- Restructuring of organizations makes it essential that companies reconsider the concepts of career and career management in order to retain and motivate employees.

- Companies successful at managing employee growth that accompanies business expansion emphasize that employees are to be responsible for career management.

Store manager

Assistant Store manager

Senior store assistant

Store assistant

More promotion opportunities available

Introduction (continued)

- These companies do provide resources supporting careers such as development opportunities, mentoring, and training managers in how to coach employees.

- A major challenge is how to balance advancing current employees' careers with simultaneously attracting and acquiring employees with new skills.

Top 15 Retention Drivers

Retention Items		%
1.	Exciting work & challenge	48.4
2.	**Career Growth, Learning & Development**	**42.6**
3.	Working with great people & relationships	41.8
4.	Fair pay	31.8
5.	Supportive management/great boss	25.1
6.	Being recognized, valued & respected	23.0
7.	Benefits	22.0
8.	Meaningful work, making a difference & contribution	17.0
9.	Pride in organization, its mission & product	16.5
10.	Great work environment / culture	16.0
11.	Flexibility	13.6
12.	Autonomy, creativity and a sense of control	12.6
13.	Job security & stability	10.5
14.	Location	10.3
15.	Diverse, changing work assignments	7.7

Source: Career Systems International, 2005

Other Research

Retention Items	
1.	**Career growth, learning and development**
2.	Exciting work and challenge
3.	Meaningful work, making a difference and a contribution
4.	Great people
5.	Being part of a team
6.	Good boss
7.	Recognition for work well done
8.	Fun on the job
9.	Autonomy, sense of control over work
10.	Flexibility – for example, in work hours and dress code
11.	Fair pay and benefits
12.	Inspiring leadership
13.	Pride in organization, its mission and quality of product
14.	Great work environment
15.	Location

Source: Love 'Em or Lose 'Em, 1999
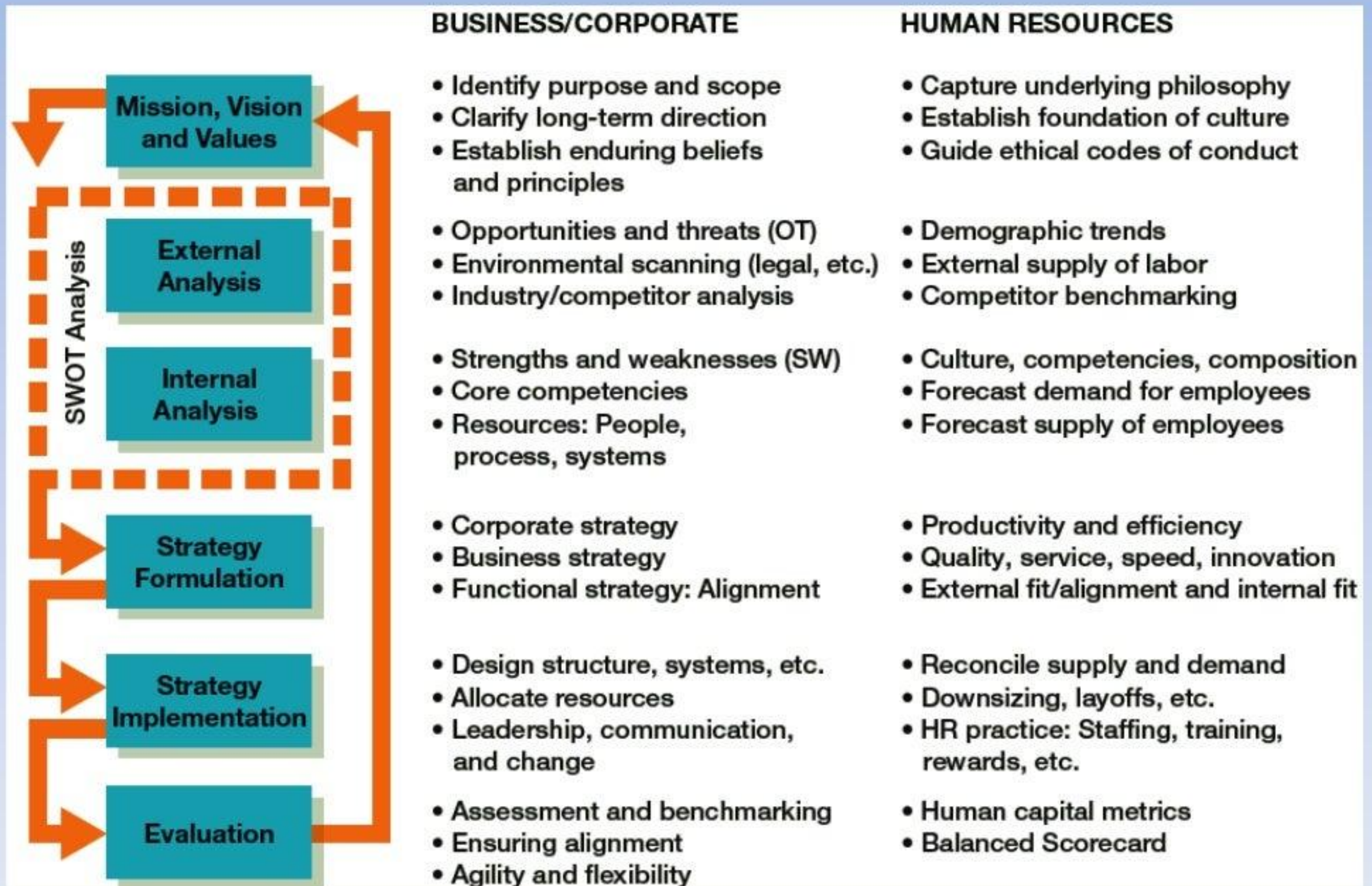
Purpose of Human Resource Management

Human Resource Management - involves attracting, developing, and maintaining a quality workforce.

Basic Responsibilities of Human Resource Management

1. **Attract a quality workforce**—human resource planning, recruitment, and selection.
2. **Develop a quality workforce**—employee orientation, training, performance appraisal.
3. **Maintain a quality** workforce—retention and career development.

Linking Strategic Planning and Human Resources

	BUSINESS/CORPORATE	**HUMAN RESOURCES**
Mission, Vision and Values	• Identify purpose and scope • Clarify long-term direction • Establish enduring beliefs and principles	• Capture underlying philosophy • Establish foundation of culture • Guide ethical codes of conduct
External Analysis	• Opportunities and threats (OT) • Environmental scanning (legal, etc.) • Industry/competitor analysis	• Demographic trends • External supply of labor • Competitor benchmarking
Internal Analysis	• Strengths and weaknesses (SW) • Core competencies • Resources: People, process, systems	• Culture, competencies, composition • Forecast demand for employees • Forecast supply of employees
Strategy Formulation	• Corporate strategy • Business strategy • Functional strategy: Alignment	• Productivity and efficiency • Quality, service, speed, innovation • External fit/alignment and internal fit
Strategy Implementation	• Design structure, systems, etc. • Allocate resources • Leadership, communication, and change	• Reconcile supply and demand • Downsizing, layoffs, etc. • HR practice: Staffing, training, rewards, etc.
Evaluation	• Assessment and benchmarking • Ensuring alignment • Agility and flexibility	• Human capital metrics • Balanced Scorecard

SWOT Analysis

Step One:
Mission, Vision, and Values

- **Mission**
  - The basic purpose of the organization as well as its scope of operations

- **Strategic Vision**
  - A statement about where the company is going and what it can become in the future; clarifies the long-term direction of the company and its strategic intent

- **Core Values**
 - The strong and enduring beliefs and principles that the company uses as a foundation for its decisions

Step Two: Environmental Scanning

The systematic monitoring of the major external forces influencing the organization.

1. Economic factors: general and regional conditions

2. Competitive trends: new processes, services, and innovations

3. Technological changes: robotics and office automation

4. Political and legislative issues: laws and administrative rulings

5. Social concerns: child care and educational priorities

6. Demographic trends: age, composition, and literacy

Five Forces Framework
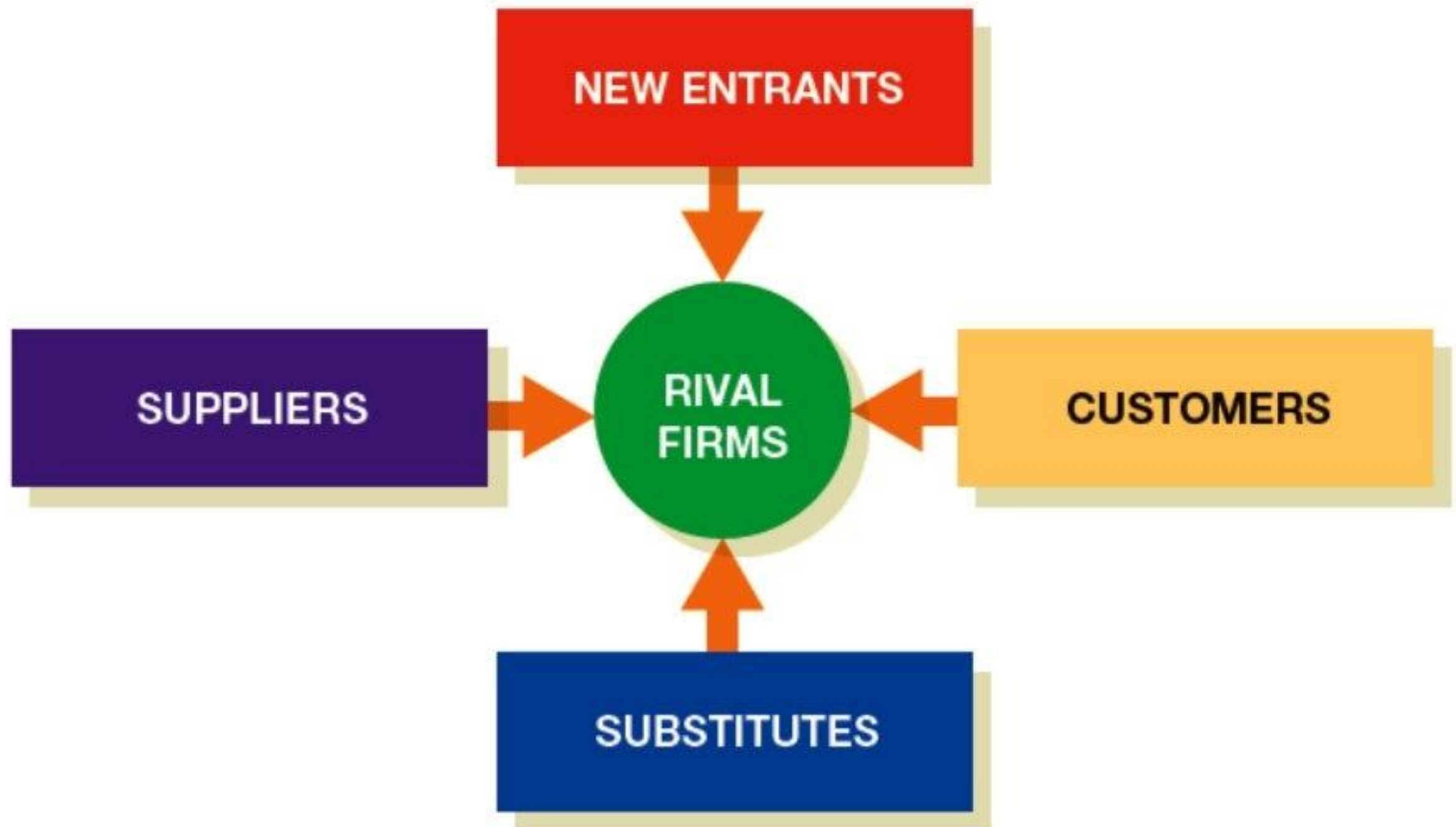
Step Three: Internal Analysis
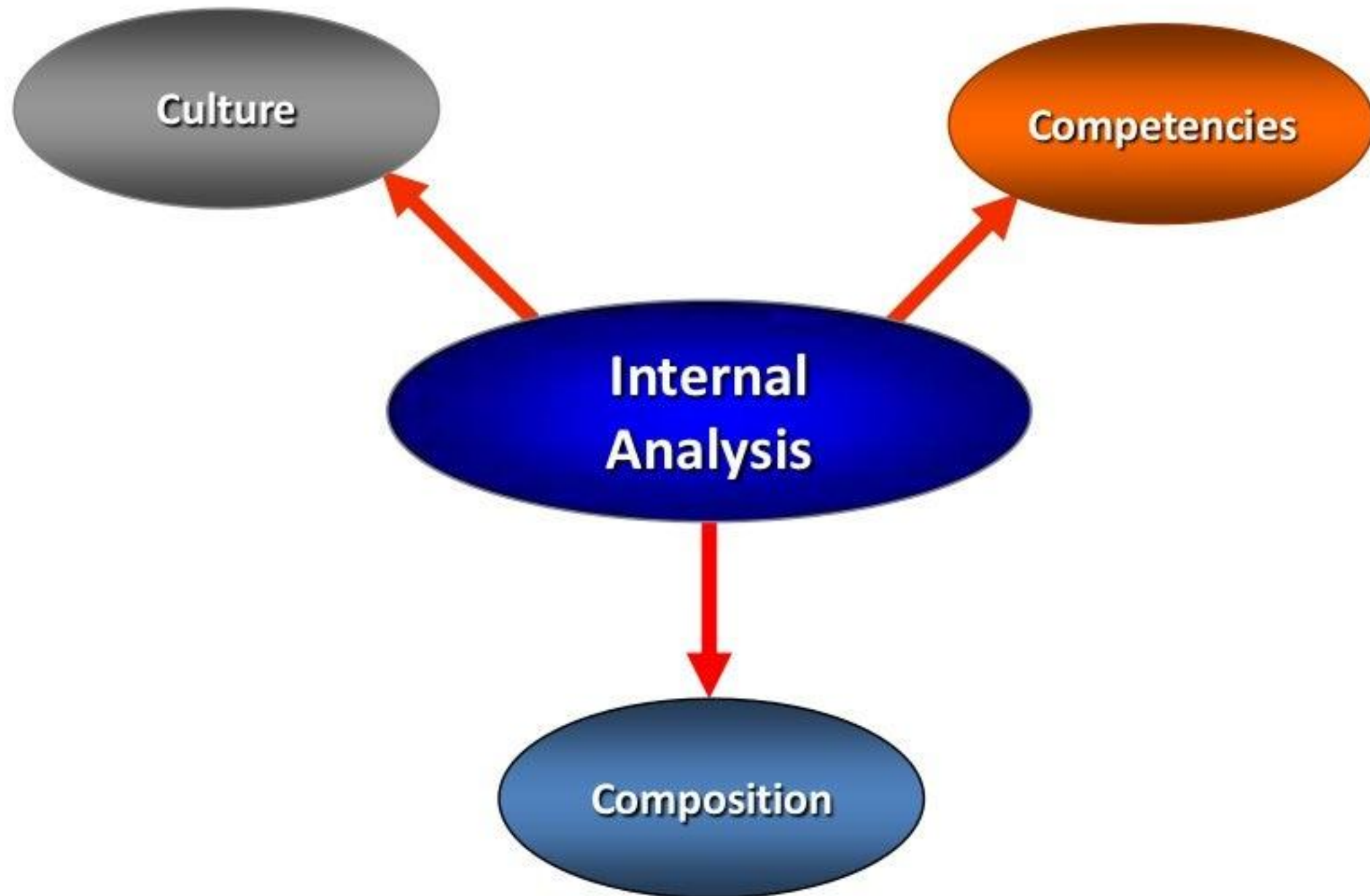
Scanning the Internal Environment

Cultural Audits -Audits of the culture and quality of work life in an organization.

- How do employees spend their time?

- How do they interact with each other?

- Are employees empowered?

- What is the predominant leadership style of managers?

- How do employees advance within the organization ?
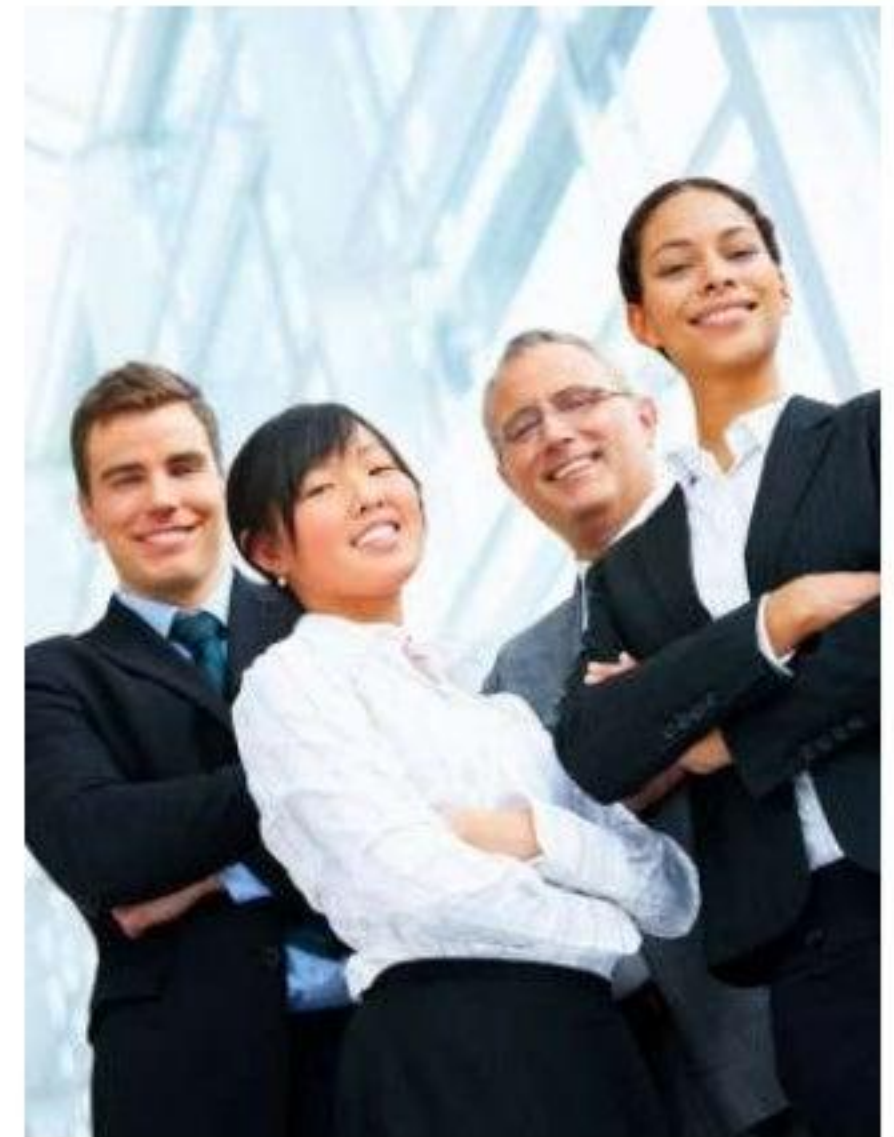
Competitive Advantage through People

- **Core Competencies**
  - Integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers.

- **Sustained competitive advantage** through people is achieved if these human resources:
  1. Are valuable.
  2. Are rare and unavailable to competitors.
  3. Are difficult to imitate.
  4. Are organized for synergy.

Composition: The Human Capital Architecture

- **Core knowledge workers**
  - Employees who have firm-specific skills that are directly linked to the company's strategy.
    - Example: Senior software programmer

- **Traditional job-based employees**
  - Employees with skills to perform a predefined job that are quite valuable to a company, but not unique.
    - Example: Security guard

Composition: The Human Capital Architecture (cont'd)

- **Contract labor**

  – Employees whose skills are of less strategic value and generally available to all firms.

    - Example: General electrician

- **Alliance/partners**

  – Individuals and groups with unique skills, but those skills are not directly related to a company's core strategy.
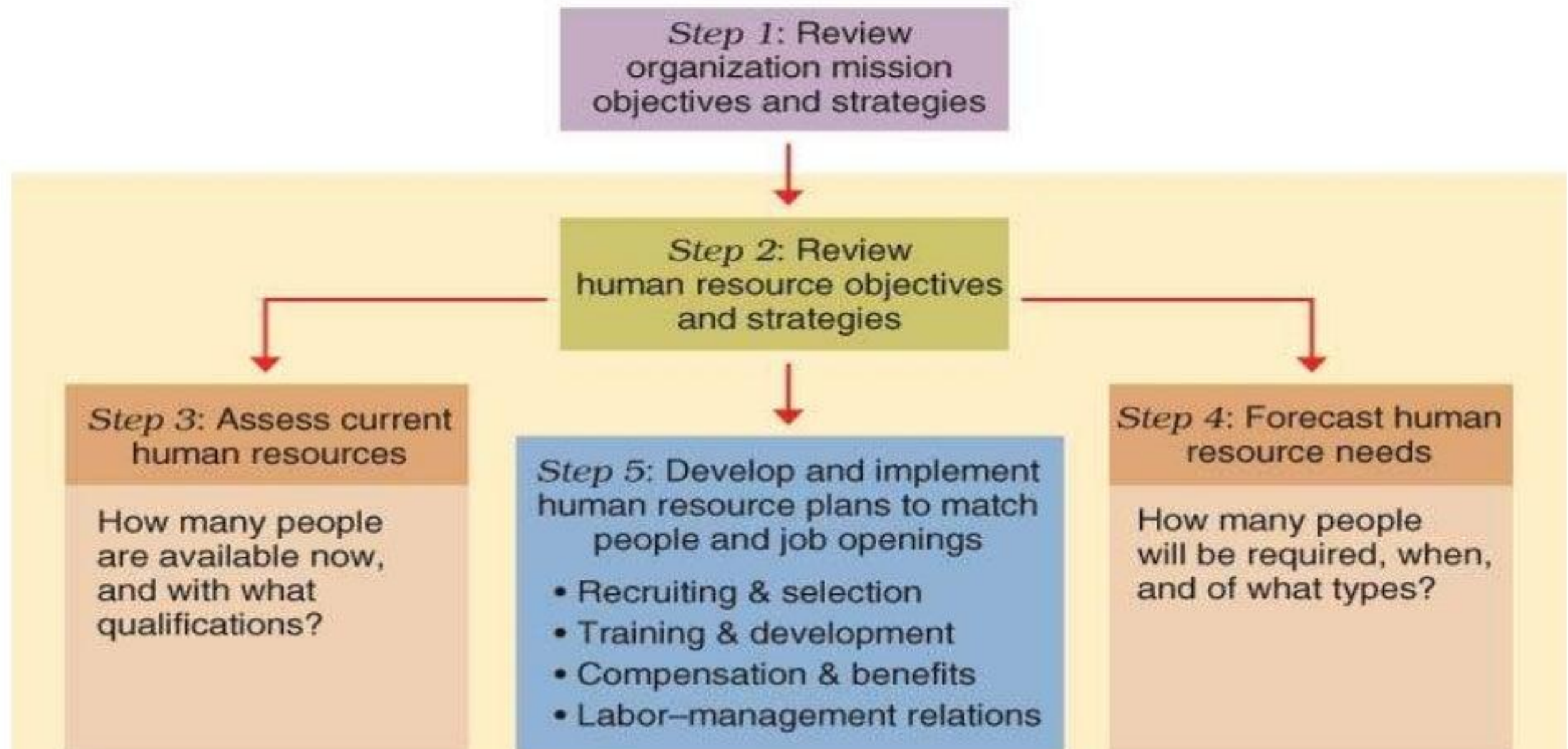
    - Example: Independent product label designer

Human Resource Practices

- Human resource planning is the process of analyzing staffing needs and identifying actions that should be taken to satisfy them over time.

Steps in human resource planning

Step 1: Review organization mission objectives and strategies

Step 2: Review human resource objectives and strategies

Step 3: Assess current human resources

How many people are available now, and with what qualifications?

Step 5: Develop and implement human resource plans to match people and job openings

- Recruiting & selection
- Training & development
- Compensation & benefits
- Labor–management relations

Step 4: Forecast human resource needs

How many people will be required, when, and of what types?

Traditional Versus Career Development Focus

HR Activity	Traditional Focus	Career Development Focus
Human resource planning	Analyzes jobs, skills, tasks— present and future. Projects needs. Uses statistical data.	Adds information about individual interests, preferences, and the like to data.
Training and development	Provides opportunities for learning skills, information, and attitudes related to job.	Provides career path information. Adds individual growth orientation.
Performance appraisal	Rating and/or rewards.	Adds development plans and individual goal setting.
Recruiting and placement	Matching organization's needs with qualified individuals.	Matches individual and jobs based on a number of variables including employees' career interests.
Compensation and benefits	Rewards for time, productivity, talent, and so on.	Adds non-job-related activities to be rewarded, such as United Way leadership positions.

Source: Adapted from Fred L. Otte and Peggy G. Hutcheson, *Helping Employees Manage Careers* (Upper Saddle River, NJ: Prentice Hall, 1992), p. 10.

HR is growing in importance, if...

...we envision and manage HR as a business