

# Strategic Planning, Human Resource Planning, and Job Analysis

# Learning Objectives

1. Describe the strategic planning process.
2. Explain the human resource planning process.
3. Describe forecasting requirements.
4. Summarize forecasting human resource availability.
5. Explain what a firm can do when either a shortage or surplus of workers exists.
6. Describe strategic succession planning in today's environment.
7. Describe the types of information required for job analysis and the reasons for conducting it.

# Learning Objectives (Cont.)

8. Summarize the types of job analysis information.
9. Explain the various job analysis methods.
10. Describe the components of a job description.
11. Explain the Standard Occupational Classification (SOC) and the Occupational Information Network (O\*NET).
12. Summarize job analysis for team members.
13. Explain how job analysis helps satisfy various legal requirements.

# Learning Objectives (Cont.)

- 14. Describe what competencies and competency modeling are.
- 15. Summarize job design concepts.
- 16. Describe the importance of global talent management.

# Strategic Planning

- Four steps:
  - Determination of the organizational mission
  - Assessment of the organization and its environment
  - Setting of specific objectives or direction
  - Determination of strategies to accomplish those objectives

# Strategic Planning/Implementation Process

## MISSION DETERMINATION

Decide what is to be accomplished (purpose)  
Determine principles that will guide the effort

## ENVIRONMENTAL ASSESSMENT

**External:** Determining external conditions, *threats*, and *opportunities*

**Internal:** Determining competencies, *strengths*, and *weaknesses* within the organization.

## OBJECTIVE SETTING

Specifying corporate-level objectives that are:

- Challenging but attainable
- Time-specific
- Measurable
- Documented (written)

## STRATEGY SETTING

Specifying and documenting corporate-level strategies and planning

## STRATEGY IMPLEMENTATION

# Mission Determination

- The **mission** is a unit's continuing purpose or reason for being
- The corporate mission is the sum total of the organization's ongoing purpose
- Arriving at a mission statement should involve answering questions such as:
  - What are we in management attempting to do for whom?
  - Should we maximize profit so shareholders will receive higher dividends or so share price will increase?

# Environmental Analysis

- Environmental analysis entails an assessment of *strengths* and *weaknesses* in the internal environment and the *threats* and *opportunities* from the external environment
- Environmental analysis is often considered to be a SWOT analysis (Strengths, Weaknesses, Opportunities, and Threats)



# Objective Setting

- *Objectives* are the desired end results of any activity
- Objectives should have four basic characteristics:
  - They should be expressed in writing
  - They should be measurable
  - They should be specific as to time
  - They should be challenging but attainable

# Strategy Setting

- First of two strategic options:
  - *Lowest-cost strategy* focuses on gaining competitive advantage by being the lowest-cost producer of a product or service within the marketplace
  - Lowest-cost strategies require aggressive construction of efficient-scale facilities and vigorous pursuit of cost minimization in such areas as operations, marketing, and HR

# Strategy Setting (Cont.)

- Second of two strategic options:
  - *Differentiation strategies* focus on developing products or services that are unique from those of their competitors
  - Differentiation strategy can take many forms, including design or brand image, technology, features, customer service, and price

# Strategy Implementation

- Leadership
- Organizational Structure
- Information and Control Systems
- Technology
- Human Resources

# Human Resource Planning (Workforce Planning)

Matching the internal and external supply of candidates with job openings anticipated in the organization over a specific period of time

# Human Resource Planning Process

External Environment  
Internal Environment

**Strategic Planning**

**Human Resource Planning**

**Forecasting  
Human  
Resource  
Requirements**

**Comparing  
Requirements  
and Availability**

**Forecasting  
Human  
Resource  
Availability**

**Demand =  
Supply**

**No Action**

**Surplus of  
Workers**

**Restricted Hiring,  
Reduced Hours, Early  
Retirement, Layoffs,  
Downsizing**

**Shortage of  
Workers**

**Recruitment**

**Selection**

# Requirements Forecast

## Determining:

- Number
- Skills
- Location of employees that the organization will need at future dates in order to meet goals

# Techniques for Forecasting Human Resource Requirements

- Zero-base forecast
- Bottom-up forecast
- Relationship between volume of sales and number of workers required



# Zero-Base Forecast

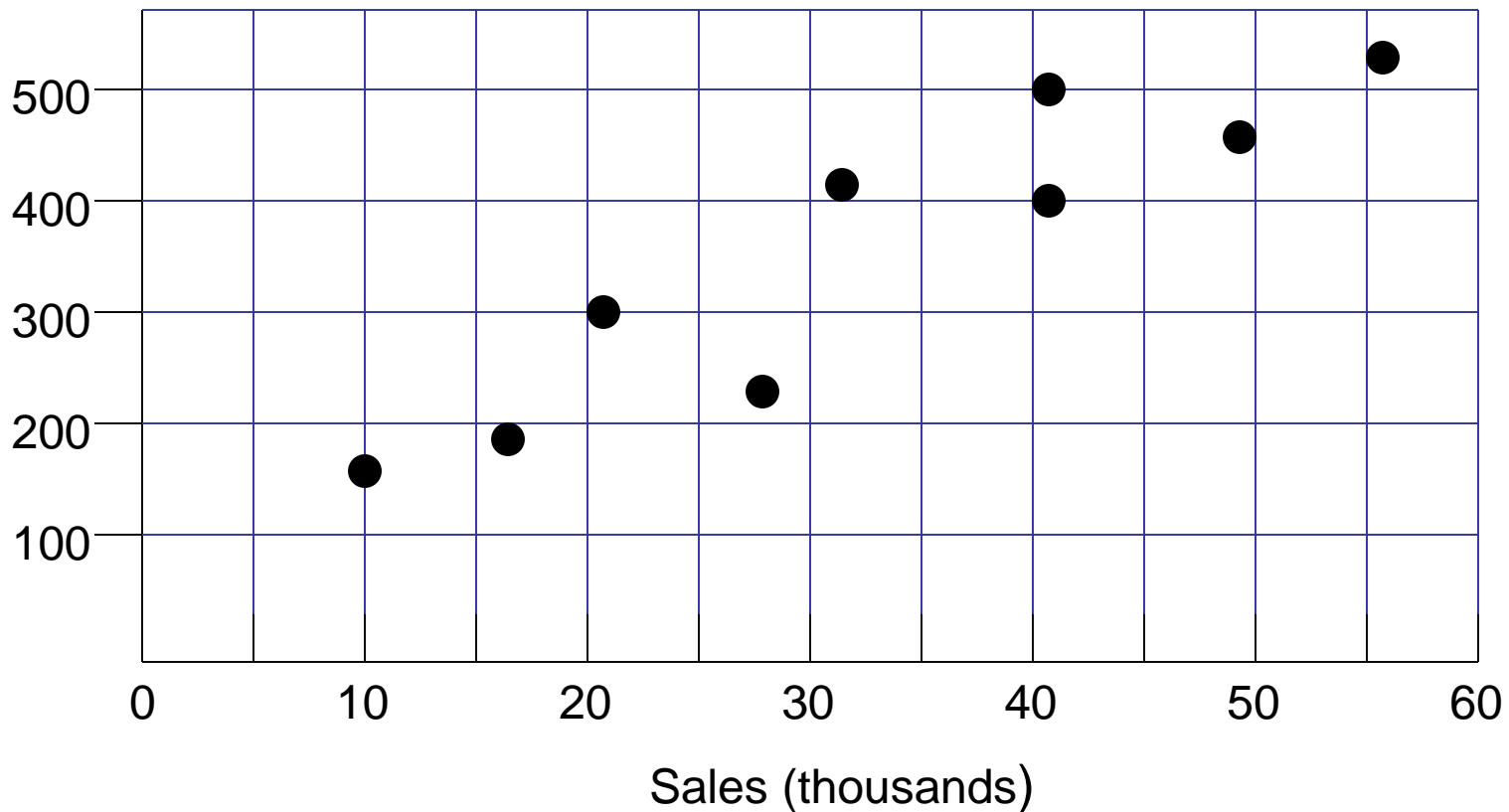
- Uses current level of staffing as starting point for determining future staffing needs
- Essentially the same procedure as zero-base budgeting
- Key is a thorough analysis of human resource needs

# Bottom-Up Forecast

Each level of organization, starting with lowest, forecasts its requirements to provide aggregate of employment needs

# The Relationship of Sales Volume to Number of Employees

Number of  
Employees



# Availability Forecast

Determination of:

- Whether firm will be able to secure employees with necessary skills
- Sources from which to obtain employees

# Shortage of Workers Forecasted

- Innovative recruiting
- Compensation incentives
- Training programs
- Modified selection standards

# Surplus of Employees

When a comparison of requirements and availability indicates a worker surplus will result, most companies look to alternatives to layoffs, but downsizing may ultimately be required

# Job Openings, 2012-2022 (in '000s)



# Alternatives to Layoffs

- Although layoffs can be a necessary cost-cutting measure, alternatives include:
  - Restricted hiring policy
  - Early retirement
  - Encouraging workers to use vacation time
  - Swapping employees
  - Moving employees from full-time to 30 hours a week without reducing health benefits



# Alternatives to Layoffs (Cont.)

- Job-sharing arrangements
- Reduce the workweek
- Offer an unpaid holiday option
- Sabbaticals for selected employees

# Succession Planning

- Process of ensuring that qualified persons are available to assume key managerial positions once the positions are vacant
- Goal is to help ensure a smooth transition and operational efficiency

# Small Business Succession Planning

- Just as, or more, important for small businesses
- Company could face economic and tax disasters
- Just 10% survive to the third generation
- Disaster stories are readily available

# Job Analysis

**Job analysis** is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization.

# When Job Analysis Is Performed

- When the organization is founded and a job analysis program is initiated
- When new jobs are created
- When existing jobs are changed significantly

# Job Analysis Should Answer

- What physical and mental tasks does the worker accomplish?
- When is the job to be completed?
- Where is the job to be accomplished?
- How does the worker do the job?
- Why is the job done?
- What qualifications are needed to perform the job?

# Job

- Consists of group of tasks that must be performed for organization to achieve its goals
- May require the services of one person, such as the company's president
- May require the services of 75 people, such as machine operators in a large firm

# Position

- Collection of tasks and responsibilities performed by one person
- There is a position for every individual in an organization



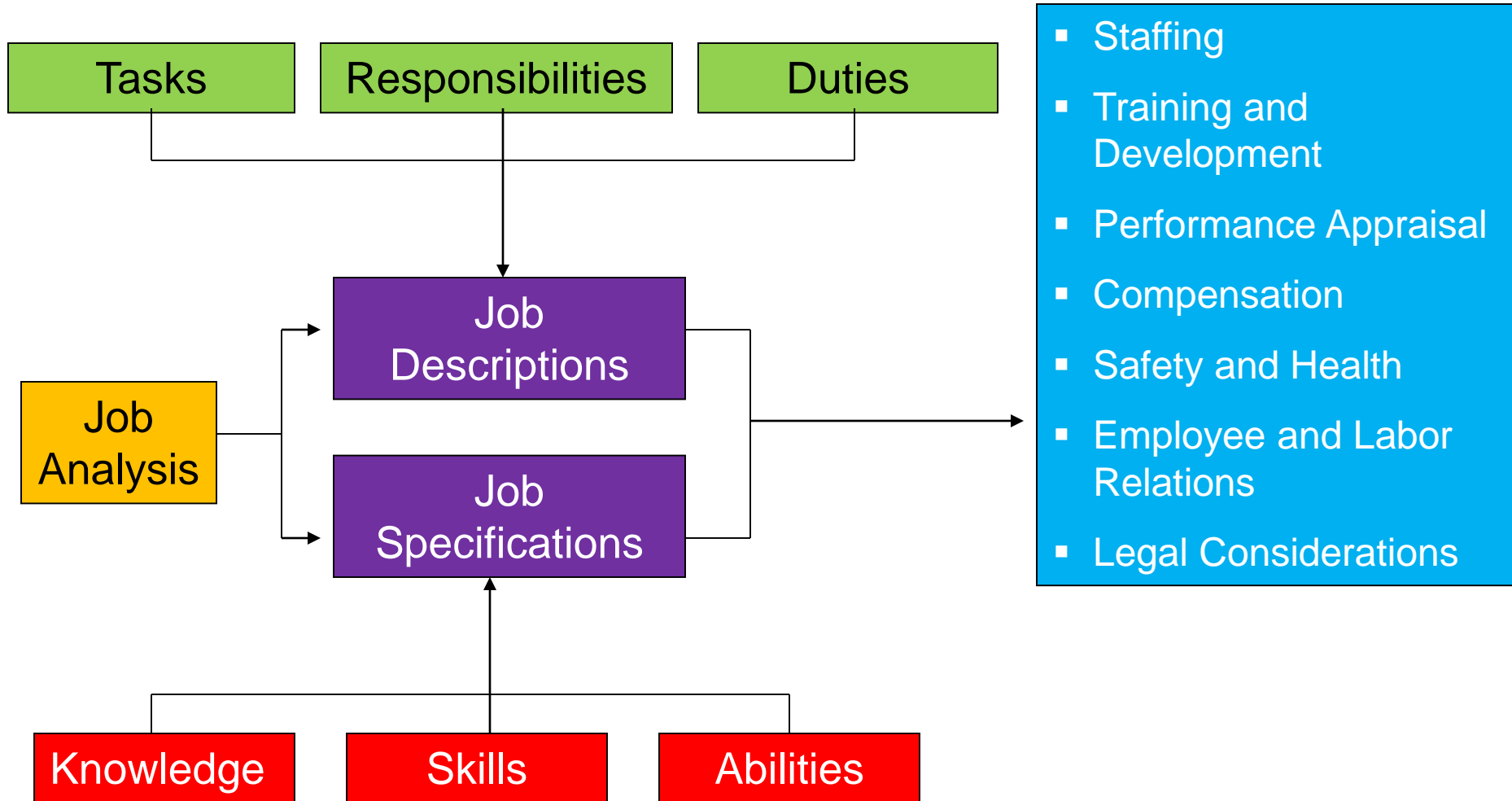
# Job Description/Job Specification

- **Job Description:** Provides information regarding the essential tasks, duties, and responsibilities of the job
- **Job Specification:** Minimum acceptable qualifications a person needs to perform a particular job

# Reasons for Conducting Job Analysis

- Job analysis has an impact on every aspect of HR practice:
  - Staffing
  - Training and Development
  - Performance Appraisal
  - Compensation
  - Safety and Health
  - Employee and Labor Relations
  - Legal considerations

# Job Analysis: A Basic Human Resource Management Tool



# Job Analysis Information

- Job's actual duties and responsibilities
- Worker-oriented activities:
- Machines, tools, and equipment
- Personal requirements (e.g., experience)
- Job standards
- Work schedule
- Financial and nonfinancial compensation
- Working conditions

# Job Analysis Methods

- Questionnaires
- Observation
- Interviews
- Employee recording
- Combination of methods

# Questionnaires

- Structured questionnaires given to employees
- Typically quick and economical
- Potential problems:
  - Employees might lack verbal skills
  - Employees might exaggerate the significance of their tasks

# Observation

- Analyst watches worker perform job tasks and records observations
- Used primarily to gather information emphasizing manual skills
- Often insufficient when used alone
- Difficult when mental skills are dominant in a job

# Interviews

- Interview both employee and supervisor
- Interview employee first, helping him or her describe duties performed
- After interviews, analyst normally contacts supervisor for additional information



# Employee Recording

- Employees describe daily work activities in diary or log
- Valuable in understanding highly specialized jobs
- Problem: Employees might exaggerate job importance

# Combination of Methods

- Analysts usually use more than one method
- Clerical and administrative jobs (example):
  - Questionnaires supported by interviews and limited observation
  - Production jobs: Interviews supplemented by extensive work observation

# Conducting Job Analysis

People who participate in job analysis should include, at a minimum:

- Employee
- Employee's immediate supervisor

# Job Description

- Document that states:
  - Tasks
  - Duties
  - Responsibilities
- Needs to be relevant and accurate

# Items Frequently Included in a Job Description

- Major duties performed
- Percentage of time devoted to each duty
- Performance standards to be achieved
- Working conditions and possible hazards
- Number of employees performing job
- The person to whom the employee reports
- The machines and equipment used for job

# Proper Language in the Job Description

- Keep each statement crisp and clear
- Structure sentences in classic verb/object and explanatory phrases
- Always use present tense of verbs
- Use explanatory phrases telling why, how, where
- Omit any unnecessary articles
- Use unbiased terminology
- Avoid using words that are subject to differing interpretations

# Content of a Job Description

- **Job Identification** – Job title, department, reporting relationship, and job number or code
- **Job Analysis Date** – Aids in identifying job changes that make description obsolete
- **Job Summary** – Concise overview of job
- **Duties Performed** – Major duties of job

# Job Specification

- Minimum qualifications worker should possess
- Should reflect **minimum**, not **ideal**, qualifications
- Often a major section of a job description



# Problems If Job Specifications Are Inflated

- Could systematically eliminate minorities or women from consideration
- Compensation costs could increase
- Vacancies could be more difficult to fill

# Standard Occupational Classification (SOC)

- Job descriptions for all U.S. workers in more than 800 occupations
- 2010 SOC replaces the 2000 system

# Representative SOC Description for HR Professionals

- **13-1071 Human Resources Specialists**
- Perform activities in the human resource area. Includes employment specialists who screen, recruit, interview, and place workers. Excludes "Compensation, Benefits, and Job Analysis Specialists" (13-1141) and "Training and Development Specialists" (13-1151).
- Illustrative examples: *Staffing Coordinator, Personnel Recruiter, Human Resources Generalist*

# Representative SOC Description for HR Professionals (Cont.)

- **11-3111 Compensation and Benefits Managers**
- Plan, direct, or coordinate compensation and benefits activities of an organization. Job analysis and position description managers are included in "Human Resource Managers" (11-3121).
- Illustrative examples: *Wage and Salary Administrator, Employee Benefits Director, Compensation Director*

# Occupational Information Network (O\*NET)

- Comprehensive government-developed database of:
  - Worker attributes
  - Job characteristics
- Primary source of occupational information

# Job Analysis for Team Members

- With team design, there are no narrow jobs
- Work that departments do is often bundled into teams
- Last duty shown on standard job description, “*And any other duty that may be assigned,*” is increasingly becoming THE job description

# Job Analysis and the Law

- **Fair Labor Standards Act:** Employees categorized as exempt or nonexempt
- **Equal Pay Act:** Similar pay must be provided to women if jobs, as shown in job descriptions, are not substantially different
- **Civil Rights Act:** Basis for adequate defenses against unfair discrimination

# Job Analysis and the Law (Cont.)

- **Occupational Safety and Health Act (OSHA):** Employer must specify job elements that endanger health or are considered unsatisfactory or distasteful by most people
- **Americans with Disabilities Act (ADA)/ADA Amendments Act:** Employer must make reasonable accommodations for disabled workers



# Job Enrichment

- Basic changes in content and level of responsibility of job to provide greater challenge to worker
- Provides a vertical expansion of responsibilities

# Competencies and Competency Modeling

**Competencies** refer to an individual's capability to orchestrate and apply combinations of knowledge, skills, and abilities consistently over time to perform work successfully in the required work situations

# Competencies and Competency Modeling (Cont.)

**Competency modeling** specifies and defines all the competencies necessary for success in a group of jobs that are set within an industry context

# U.S. Department of Labor Competency Model

## Occupation-Related Competencies

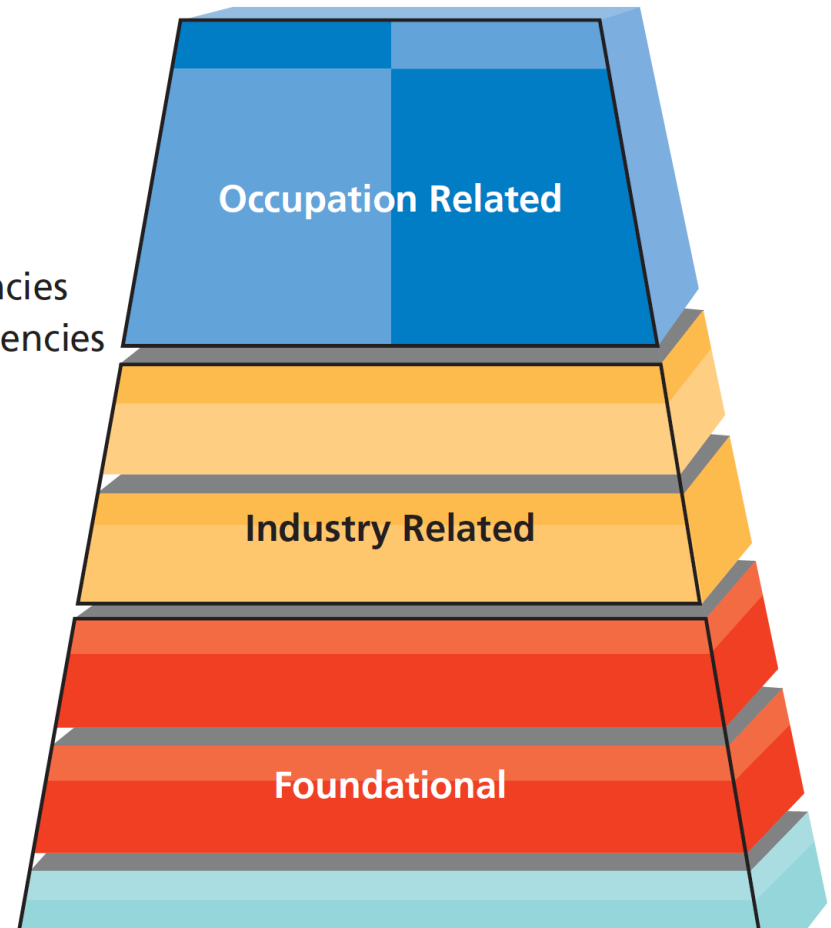
- Tier 9 – Management Competencies
- Tier 8 – Occupation-Specific Requirements
- Tier 7 – Occupation-Specific Technical Competencies
- Tier 6 – Occupation-Specific Knowledge Competencies

## Industry-Related Competencies

- Tier 5 – Industry-Sector Technical Competencies
- Tier 4 – Industry-Wide Technical Competencies

## Foundational Competencies

- Tier 3 – Workplace Competencies
- Tier 2 – Academic Competencies
- Tier 1 – Personal Effectiveness Competencies



# Job Design

Process of determining:

- Specific tasks to be performed
- Methods used in performing these tasks
- How a job relates to other work in organization

# Job Enrichment

- **Job enrichment** consists of basic changes in the content and level of responsibility of a job so as to provide greater challenges to the worker
- Job enrichment provides a vertical expansion of responsibilities

# Job Enlargement

- Changes in scope of job to provide greater variety to worker
- All of the tasks at the same level of responsibility
- Sometimes called cross-training

# Job Rotation

- Moving employees from one job to another to broaden their experience
- Often required for higher-level tasks
- Can be effective in protecting a company against the loss of key employees



# Reengineering

- Fundamental rethinking
- Radical redesign of business processes
- Aims to achieve dramatic improvements in critical measures of performance such as:
  - Cost
  - Quality
  - Service
  - Speed

# Global Talent Management

- Strategic endeavor to optimize use of human capital
- Enables an organization to drive short- and long-term results
- Builds culture, engagement, capability, and capacity through integrated talent acquisition, development, and deployment processes that are aligned to business goals