Introduction to Human Resource Concepts

Lesson 2 - Attracting and Retaining Employees

WORKBOOK

Lesson 2 Overview:

In this part of the course, you will be introduced to:

- Human Resources Management – An Overview

- Human Resources Planning

  - Forecasting Human Resources Demand

  - Forecasting Human Resources Supply

  - Matching Supply with Demand

- Cultural Diversity in Human Resources

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HRM Overview

Human Resources Management – all activities required for acquiring, maintaining and developing an organization's employees

The Human Resources Department provides the organization with:

- Determining future employee requirements
- Determining the actual job functions for positions
- Attracting qualified people to apply for open positions
- Choosing the best qualified applicant for open positions
- Introducing new employees to the organization and policies

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HRM Overview

For current employees, the Human Resources Department, along with line managers:

- Conduct employee surveys, interviews and review reports to increase job satisfaction

- Ensure employees are fairly compensated for their contributions to the organization

- Manage benefits to increase employee well-being

- Conduct training to preserve skills, enhance skills and to be safe

- Conduct performance appraisals to assess current levels of performance and identify future potential for advancement

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HR Planning

The Human Resources Department must look to the future.
Employees will leave the organization and as the organization
grows, new employees will be needed.

HR planning is a three step process:

- Step 1 – based on the organizations growth plan, forecast
future needs

- Step 2 – determine if the future needs will be available in the
workforce

- Step 3 – take any required actions to ensure a sufficient
workforce is available for organization demands

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Forecasting Demand

Forecasting the demand for new employees is part art and part science.

Specifics, including the projected growth, expansions or reductions, economic trend data, technological change, and past staffing levels can all be tracked and analyzed.

With this data, there are basically two ways to predict future needs:

- Use a manual system and base predictions with simple formulas, such as an increase in production will require a set percentage of new employees

- Use modern computer HR systems that are designed to take the same inputs and produce complete forecasting based on different scenarios

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Forecasting Supply

- When forecasting the supply of available employees in the workforce, the attrition rate of current employees must be considered

- Not all current employees will remain with the organization over time and this attrition will need to be added to the amount of employees needed in the future

- Two techniques are commonly used to help look at current employees as a supply source of replacements for special projects:

- Replacement Chart – this is a list of personnel and a list of potential replacements within the organization

- Skills Inventory – a listing of the skillsets of current employees that can be used to fill open positions internally

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Matching

Two possible situations can occur within the organization:

1. If the organization is growing, new employees will be required and the organization will need to find new employees for the external workforce

2. If the organization is shrinking, some current employees may need to be dismissed

   • Dismissing employees needs to done carefully – you may need those employees in the future and the organization already has an investment in them

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Matching

- Four common means of reducing the number of current employees are:
  1. **Layoffs** – this is a temporary reduction with the idea they will be needed again in the near future
  2. **Attrition** – if there is enough time, as employees leave the organization, replacements are not hired
  3. **Early Retirement** – some senior employees may be eligible for retirement and may be encouraged to do so early (if there is already a suitable replacement for the position if the position is still required)
  4. **Dismissal** – as a last resort, it may be necessary to simply inform employees their services are no longer needed. If this has been a good and loyal employee, an attempt should be made to maintain good relations in the event the employee is needed in the future

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Cultural Diversity

Culture – the values, norms, and traditions that affect how one perceives, thinks, interacts, behaves, and makes judgments

The modern workforce is **global in nature**; employees may be found anywhere in the world and they will bring their culture with them

Diversity related to the differences between members of the workplace that may be based on culture

Diversity may also be based on race, ethnicity, and gender

There are distinct advantages to recognizing diversity in the workplace

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Cultural Diversity

Diversity recognition advantages:

- Good employee morale

- Attracting better employees from a larger pool of potential hirees

- Better marketing opportunities to various groups

- New viewpoints for developing solutions to problems

- Multilingual skills for both domestic and international customers

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Cultural Diversity

Diversity recognition within the organization may be enhanced by:

- Training for management and supervisors on diversity

- Recruiting and maintaining a diverse workforce at all levels

- If necessary, provide English language instruction

- Embracing the differences by providing group activities for similar groupings of employees for support

- Showing a strong commitment to promoting diversity in the workplace

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Lesson 2 Review:

- Human Resources Management – An Overview

- Human Resources Planning

    - Forecasting Human Resources Demand

    - Forecasting Human Resources Supply

    - Matching Supply with Demand

- Cultural Diversity in Human Resources

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Questions and Answers

Review Questions:

1. What are some of the common means of reducing the number of current employees?
   - A. Layoffs
   - B. Attrition
   - C. Early retirement
   - D. All of the above

2. True or False: There is no significant advantage to cultural diversity in organizations.
   - A. True
   - B. False

3. True or False: Culture is the mental programming of a group of people.
   - A. True
   - B. False

4. True or False: It is wise to not burn bridges when you have to dismiss an employee.
   - A. True
   - B. False

5. True or False: When forecasting the supply of available employees in the workforce, attraction rates of current employees must be considered.
   - A. True
   - B. False

Answer Key:

1. D
   Four common means of reduction are layoffs, attrition, early retirement, and dismissal.

2. B
   False. Cultural diversity increases the pool of potential employees and allows for better marketing to various groups, among several other reasons.

3. A
   True. Culture is the collection of values, norms, and traditions that affects how one perceives, thinks, interacts, behaves, and makes judgments.

4. A
   True. The employee may be needed at a later time, so it must be done with tact.

5. B
   False. When forecasting the supply of available employees in the workforce, attrition rates of current employees must be considered.