SHRP process Cont.

- Comparing forecasts of demand and supply
- Planning the actions needed to deal with anticipated shortage or overages
- Feeding back such information into the strategic planning process.

Causes of Demand for Human Resources

Several factors affect the demand for human resources. They are broadly categorized as External, Organizational, and Work fore factors.

- External Environment
- Organizational decisions.
- Work force factors

- **Computerized forecast:** Determination of future staff needs by projecting sales, volume of production, and personnel required to maintain this volume of output, using software packages.
- **Managerial Judgment:** Whichever forecasting approach you use, managerial judgment will play big role. It's rate that any historical trend, ratio or relationship will continue unchanged into the future. Judgment is thus needed to modify the forecast based on factors you believe will change in the future.

At a glance

- External environment is primary determinant of organizational strategy rather than internal decisions of managers
- Environment presents threats and opportunities
- All competing organizations control or have equal access to resources
- Resources are highly mobile between firms
- Organizational success is achieved by:
  - Offering goods and services at lower costs than competitors
  - Differentiating products to bring premium prices

Contrasting the Two Approaches

- Research provides support for both positions
- What drives strategy?
  - I/O: External considerations
  - RBV: Internal considerations
- I/O: Strategy drives resource acquisition
- RBV: Strategy determined by resources

Mission Statement

- Explains purpose and reason for existence
- Usually very broad
- No more than a couple of sentences
- Serves as foundation for everything organization does

Selection Mission Statement

- Our mission is to provide worldwide responsiveness to our customers by offering the highest quality, lowest total cost, customized, integrated, design, supply-chain and manufacturing solutions through long-term partnerships based on integrity and ethical business practices."

Establishing Goals & Objectives

- Goals should be:
  - Specific
  - Measurable
  - Flexible

- Across-the-board pay cuts
- Reduce outsourced work
- Switch to variable pay plan
- Expand operations

What is Succession Planning?

- Succession Planning is the long-term Human Relations Strategy of building and holding on to top talent.
- Important for several reasons:
  - The work force as a whole is shrinking
  - Many of our top people are retiring
  - Skilled talent in our industry is getting more and more scarce.