

# 4

## Strategic Planning, Human Resource Planning, and Job Analysis

**CHAPTER OBJECTIVES** After completing this chapter, students should be able to:

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

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## ★ Learn It

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The tools we describe in this chapter and in Chapters 5 and 6 provide human resources (HR) professionals with a foundation to harness the capability of a company's human capital to its competitive advantage. Let's consider a metaphor to bring the opening sentence to life. Take, for example, your favorite hit movie or television show. Many factors contribute to the show's success, which we might measure as the size of enduring viewership and awards recognizing excellent talent. Perhaps three of the most important factors to determine whether a show will be successful are the story line, character development and scripts, and casting actors into roles.

From an HR standpoint, the story line can be thought of as a strategy to create a distinctive story that is unique from others, character development and scripts as job analysis and work flow, and casting requirements as HR planning. We take up these topics in this chapter.

### OBJECTIVE 4.1

Describe the strategic planning process.

#### strategic planning

Process by which top management determines overall organizational purposes and objectives and how they are achieved.

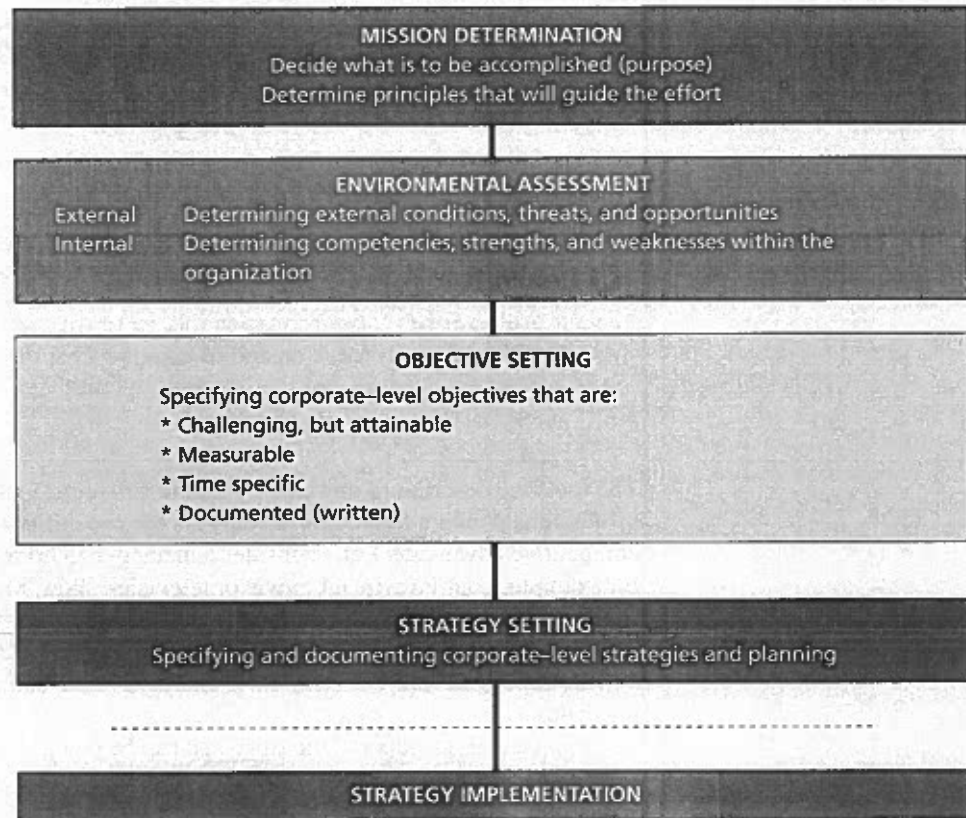
## Strategic Planning Process

As discussed in Chapter 1, HR executives are now focusing their attention on how HR can help the organization achieve its strategic objectives. Thus, HR executives are highly involved in the strategic planning process. In the past they often waited until the strategic plan was formulated before beginning **strategic planning**, which is the process by which top management determines overall organizational purposes and objectives and how they are achieved.

Strategic planning is an ongoing process that is constantly changing to find a competitive advantage. At times an organization may see the need to diversify and increase the variety of the



**FIGURE 4-1**  
**Strategic Planning Process**



goods that are made or sold. At other times, downsizing may be required in response to the external environment. Or the strategic plan may see integration, the unified control of a number of successive or similar operations, as their driving force. Strategic planning attempts to position the organization in terms of the external environment. For example, the recent recession showed weakness in the marketplace for some firms, which led to lower company valuations, increased business failures, and firms spinning out or selling off their noncore business units. Forward-thinking companies found opportunities that were not available when business was booming, such as expanding their company through acquisition.<sup>1</sup> Companies always need to look for ways to stay competitive, gain market share, and be the first to innovate a new product or service.

Strategic planning at all levels of the organization can be divided into four steps: (1) determination of the organizational mission, (2) assessment of the organization and its environment, (3) setting of specific objectives or direction, and (4) determination of strategies to accomplish those objectives (see Figure 4-1). The strategic planning process described here is basically a derivative of the strengths, weaknesses, opportunities, and threats (SWOT) framework that affects organizational performance, but it is less structured.

## Mission Determination

**mission**  
 Company's continuing purpose or reason for being.

The first step in the strategic planning process is to determine the corporate mission. The **mission** is a company'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? Or should we emphasize stability of earnings so employees will remain secure? In the case of not-for-profit companies, is the focus on extending its humanitarian reach from tragic events in the United States to tragic events in other countries? Certainly, HR can provide valuable assistance in answering these questions.

There are many other mission possibilities. Mission determination also requires deciding on the principles on which management decisions will be based. Will the corporation be

socially responsible and environmentally friendly (sustainability)? Will the company be forthright in dealing with its various constituents such as its customers? The answers to these questions tend to become embedded in a corporate culture and help determine the organizational mission. Top management expects HR activities to be closely aligned to this mission and add value toward achieving these goals. The following is a part of General Mills' corporate mission:

*Our mission at General Mills is Nourishing Lives—making lives healthier, easier and richer.*

- *We make lives healthier with foods such as yogurt, soups, vegetables and whole grain breakfast cereals.*
- *We make lives easier with foods that are simple to prepare—we have hundreds of products that can be made in less than 15 minutes.*
- *And whether it's a cake for a child's birthday, a savory snack to help unwind after work or the trimmings for a holiday family meal, we make lives richer with foods to celebrate special moments.<sup>2</sup>*

General Mills also includes two additional objectives: environmental sustainability (Nourishing the Future) and community enhancement (Nourishing Communities). For instance, General Mills uses recycled materials for its product packaging and it regularly contributes money to K–8 education, respectively.

### Environmental Assessment

Once the mission has been determined, the organization should assess its *strengths* and *weaknesses* in the internal environment and the *threats* and *opportunities* from the external environment (often referred as a SWOT analysis). Making strategic plans involves information flows from both the internal and the external environments. From inside comes information about organizational competencies, strengths, and weaknesses. Scanning the external environment allows organizational strategists to identify threats and opportunities, as well as constraints. In brief, the strategy would be to take advantage of the company's strengths and minimize its weaknesses to grasp opportunities and avoid threats. For example, social networking company LinkedIn can capitalize on the following opportunities, which include the growing adoption of LinkedIn's recruitment services among corporations, growing urbanization, changing attitudes toward employment, and increasing premium subscriptions.<sup>3</sup>

HR professionals can take advantage of LinkedIn technology and services by connecting to more candidates who subscribe to LinkedIn than would typically otherwise be the case for traditional recruitment methods such as career portals on corporate Web sites, campus hiring, recruitment agencies, and job boards. Also HR professionals are in the best position to identify workforce strengths and weaknesses. Should the company be considering, for instance, a merger or acquisition, HR would be able to work with top management to determine whether the present workforce can be effectively integrated into the workforce of the merged company. For example, does the workforce of the merged company improve the overall value of the company, or is there only duplication of talent? Any reorganization affects people and HR professionals must be in the forefront of people-related matters.

There are always threats that counterbalance opportunities. For example, LinkedIn faces at least two significant future threats.<sup>4</sup> Competitors such as Google and Facebook could challenge LinkedIn's success by offering similar services to customers such as mixing social networking with recruitment services. In addition, although LinkedIn has established a presence in Latin America, South America, and Asia-Pacific regions, the growth in average revenue per customer will be much lower than in the United States because of lower purchasing power of countries in these international regions.

LinkedIn's revenue challenges are relevant to the work of its HR professionals. In particular, research and development (R&D) costs and sales and marketing costs are likely to rise. R&D costs increase when a company is enhancing current services or developing new ones. In addition, sales and marketing costs stand to increase when a company is expanding its reach to prospective customers. These activities are likely to translate into stepped up recruitment efforts for software engineers and sales professionals. As well, establishing competitive compensation and benefits programs stand to represent a significant challenge.

In the following Watch It video, learn about iRobot, which is best known for the iRobot Roomba® vacuum cleaning robot. This product helped to change how people view robots. iRobot continues to develop robotic products to change the way customers include robots in their daily life. This video will provide an appreciation of SWOT analysis.

### ★ Watch It I

If your instructor has assigned this, go to MyManagementLab to watch a video titled iRobot: Competitive Strategy of Home Robots and respond to questions.

### Objective Setting

*Objectives* are the desired end results of any activity. Objectives should have four basic characteristics: (1) They should be expressed in writing, (2) they should be measurable, (3) they should be specific as to time, and (4) they should be challenging but attainable. Strategic objectives might be directed at factors such as profitability, customer satisfaction, financial returns, technological leadership, and operating efficiency. Objectives should be developed only after a cost-benefit analysis of each alternative is considered. Because HR professionals are in the people business, it is difficult to imagine any strategic objective that would not involve them in some manner, and the LinkedIn example illustrates this point.

### Strategy Setting

Strategies can now be developed for accomplishing those objectives. Strategies should be developed to take advantage of the company's strengths and minimize its weaknesses to grasp opportunities and avoid threats. HR professionals should be highly involved in these activities because the composition of the workforce will certainly influence the strategies chosen. For the sake of illustration, let's consider two fundamental strategies: lowest cost and differentiation.

Lowest-cost strategy focuses on gaining competitive advantage by being the lowest-cost producer of a product or service within the marketplace, while selling the product or service at a price advantage relative to the industry average. Lowest-cost strategies require aggressive construction of efficient-scale facilities and vigorous pursuit of cost minimization in such areas as operations, marketing, and HR.

Ryanair, a low-cost commercial airline based in Ireland, is an excellent illustration of an organization that pursues a lowest-cost strategy because its management successfully reduced operations costs. At least four noteworthy decisions have contributed to Ryanair's goals. First, Ryanair's training and aircraft maintenance costs are lower than similar competitors' costs because the airline uses only Boeing 737 aircraft. Ryanair enjoys substantial cost savings because it does not need to buy different curricula for training flight attendants, mechanics, and pilots to learn about procedures specific to different aircraft makes (e.g., Boeing) and models (e.g., Boeing 747). Second, newer aircraft sport spartan seats that do not recline, have seat-back pockets, or have life jackets stowed under the seat (life jackets are stowed elsewhere on Ryanair planes). Not only does such seating cost less, but it also allows service personnel to clean aircraft more quickly, saving on labor costs. Third, Ryanair airplanes have one toilet to make room for additional passenger seats. Fourth, Ryanair passengers are required to carry their luggage to the plane, reducing the costs of baggage handling.

Companies adopt differentiation strategies to develop 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. Differentiation strategies lead to competitive advantage through building brand loyalty among devoted consumers. Brand-loyal consumers are less sensitive to price increases, which enables companies to invest in R&D initiatives to further differentiate themselves from competing companies.

P&G Corporation manufactures, markets, and distributes a variety of consumer goods products, including dog food. This company successfully pursues a differentiation strategy based on brand image and price premiums. The company offers two separate dog food lines—Iams, a super-premium line that is nutritionally well balanced for dogs and that uses high-quality ingredients, and Eukanuba, an ultra-premium line that contains more chicken and vital nutrients than

the Iams line, as well as OmegaCOAT Nutritional Science (fatty acids), which promotes shiny and healthy coats. Together, the Iams and Eukanuba brands appeal to a substantial set of dog owners. The Iams Company distinguishes Eukanuba from Iams by claiming that Eukanuba delivers “Extraordinary Nutrition.” The Eukanuba slogan is the company’s basis for brand image. In addition to brand image, P&G also differentiates its Eukanuba line by charging a price premium. This price premium has enabled the Iams Company to be an innovator in canine nutrition by investing heavily in product R&D. Eukanuba was one of the first brands to offer several formulas to meet the needs of small, medium, and large breeds of dogs according to life stage, activity level, and particular health conditions.

In the following Watch It video, learn about the online retailer Zappos’ competitive strategy. In many retail sectors, the goal is product differentiation to create brand-loyal customers and generate pricing power. Companies achieve differentiation through formulating and implementing competitive strategies that define how organizations will compete in their businesses. Zappo’s strategy is to “be about the very best customer service.”

### Watch It 2

If your instructor has assigned this, go to MyManagementLab to watch a video titled Zappos: Competitive Strategy and respond to questions.

## Employee Roles Associated with Competitive Strategies

Common wisdom and experience tell us that HR professionals must decide which employee roles are instrumental to the attainment of competitive strategies. Knowledge of these required roles should enable HR professionals to implement HR tactics that encourage their enactment of these roles. Of course, HR professionals are responsible for designing and implementing compensation tactics that elicit strategy-consistent employee roles. As we’ve noted in the introduction, job analysis is a critical tool used by HR professionals to define employee jobs; thus, the role behavior that is expected of them.

For the lowest-cost strategy, the imperative is to reduce output costs per employee. The desired employee roles for attaining a lowest-cost strategy include repetitive and predictable behaviors, a relatively short-term focus, primarily autonomous or individual activity, high concern for quantity of output, and a primary concern for results.

The key employees’ roles for differentiation strategies include highly creative behavior, a relatively long-term focus, cooperative and interdependent behavior, and a greater degree of risk taking. Compared with lowest-cost strategies, successful attainment of differentiation strategies depends on employee creativity, openness to novel work approaches, and willingness to take risks. In addition, differentiation strategies require longer time frames to provide sufficient opportunity to yield the benefits of these behaviors.

## Strategy Implementation

Once the strategic planning process is complete, the strategy must be implemented. Some people argue that strategy implementation is the most difficult and important part of strategic management. No matter how creative and well formulated the strategic plan, the organization will not benefit if it is incorrectly implemented. Strategy implementation requires changes in the organization’s behavior, which can be brought about by changing one or more organizational dimensions, including management’s leadership ability, organizational structure, information and control systems, production technology, and HR.<sup>5</sup>

**LEADERSHIP** A leader is able to get others to do what he or she wants them to do. Managers must influence organization members to adopt the behaviors needed for strategy implementation. Top-level managers seeking to implement a new strategy may find it useful to build coalitions and persuade others to go along with the strategic plan and its implementation. HR must take the leadership role in dealing with HR matters. Basically, leadership is used to encourage employees to adopt supportive behaviors, and when necessary, to accept the required new values and attitudes.

**ORGANIZATIONAL STRUCTURE** A company's organizational structure is typically illustrated by its organizational chart. The particular form of structure needed is determined by the needs of the firm. It may be informal and highly changeable in small, uncomplicated businesses. By contrast, large, diverse, and complex organizations usually have a highly formalized structure. But that should not mean the structure is so rigid that it does not change, perhaps even frequently. Newly formed high-tech companies are most likely to restructure or reorganize frequently, but even some of the largest *Fortune 500* industrial firms such as General Motors and Chrysler have experienced major reorganizations. Many variations of organizational structures are available for use today. HR should be in a good position to recommend the most effective structure needed by the organization.

**INFORMATION AND CONTROL SYSTEMS** Among the information and control systems are reward systems; incentives; objectives-oriented systems; budgets for allocating resources; information systems; and the organization's rules, policies, and implementations. Certainly, HR should be a valuable asset in developing and working with these systems. A proper mix of information and control systems must be developed to support the implementation of the strategic plan.

**TECHNOLOGY** The knowledge, tools, and equipment used to accomplish an organization's assignments comprise its technology. The appropriate level of technology must be found for proper implementation of the strategic plan. Certainly, technology is revolutionizing how organizations operate today. This is definitely the case for HR professionals.

**HUMAN RESOURCES** The HR functions must be properly aligned to successfully implement the strategic plan. HR will be central to understanding the future of an asset that is increasingly important to the organization—the intellectual and productive capacity of its workforce. In essence, a proper balance of HR must be developed to support strategy implementation. Once strategic planning has taken place, HR planning may be developed to help implement the strategic plan.

#### OBJECTIVE 4.2

Explain the human resource planning process.

#### human resource planning

Systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specified period of time.

#### requirements forecast

Determining the number, skill, and location of employees the organization will need at future dates to meet its goals.

#### availability forecast

Determination of whether the firm will be able to secure employees with the necessary skills, and from what sources.

## Human Resource Planning

**Human resource planning** (workforce planning) is the systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specific period of time. Workforce planning has evolved from a knee-jerk planning undertaking to a fundamental strategic function. It includes business plan, HR data, and statistical analyses of those data. It is also incorporated into the business and financial planning process, so it provides a foundation for a plan that is aligned with the business strategy. As organizations exited the recent recession, there was evidence that they were becoming more focused on workforce planning. A recent poll found that 53 percent of the respondents conducted, or planned to conduct, a strategic workforce planning assessment to identify skills gaps.<sup>6</sup>

The HR planning process is illustrated in Figure 4-2. Note that strategic planning precedes HR planning. HR planning has two components: *requirements* and *availability*. A **requirements forecast** involves determining the number, skill, and location of employees the organization will need at future dates to meet its goals.

The determination of whether the firm will be able to secure employees with the necessary skills, and from what sources, is called an **availability forecast**.

When employee requirements and availability have been analyzed, the firm can determine whether it will have a surplus or shortage of employees. Ways must be found to reduce the number of employees if a surplus is projected. If a worker shortage is forecast, the firm must obtain the proper quantity and quality of workers from outside the organization. In this case, external recruitment and selection are required.

Because conditions in the external and internal environments can change quickly, the HR planning process must be continuous. Changing conditions could affect the entire organization, thereby requiring extensive modification to the forecasts. The recent recession provided a major challenge for some firms as they raced to develop a downsizing strategy. And, as the economy improved, plans were made to increase the size of the workforce.



## HR BLOOPERS

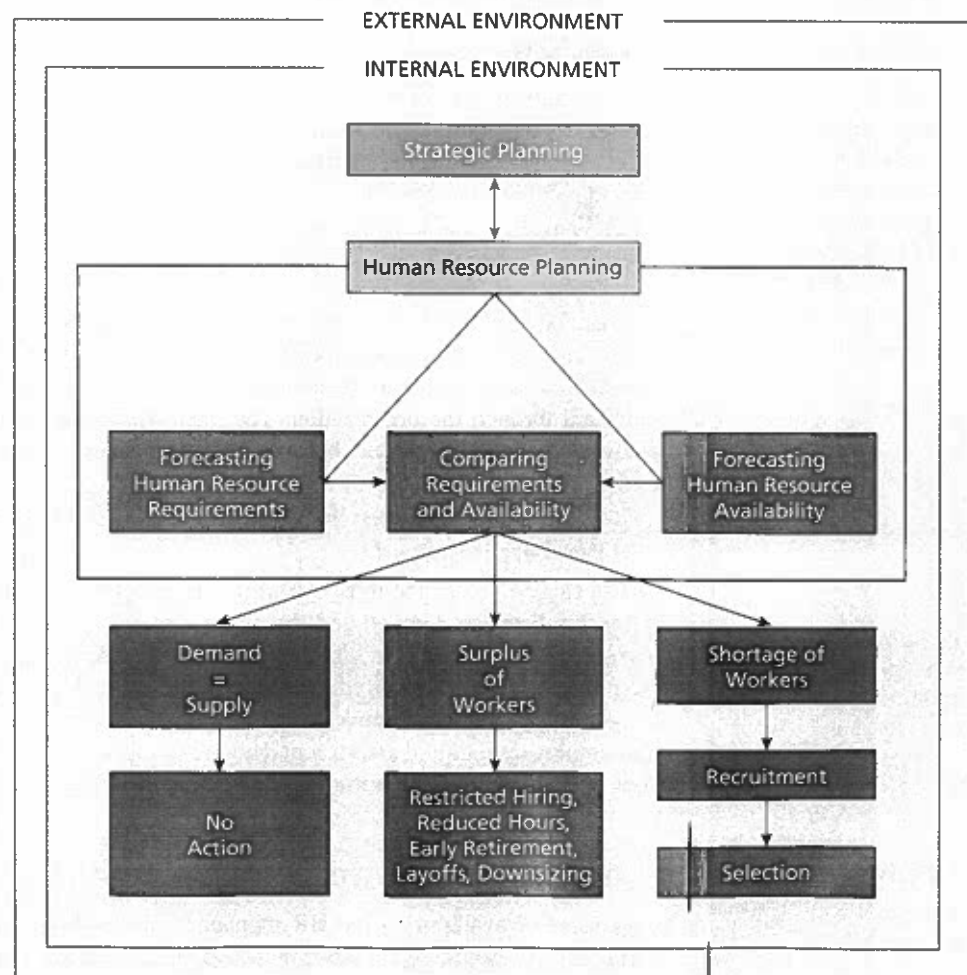
### Workforce Planning at Master Cleaners

Master Cleaners provides residential cleaning services through more than 100 cleaning employees throughout their geographic area. As the HR manager hired just more than a year ago, Jack Potts has worked hard to establish many of their HR practices. As the company's first HR manager, Jack believes his primary responsibility is to make sure administrative processes are in place. He has been attending senior leadership meetings regarding the organization's strategy and knows there are some plans to expand into the commercial market. However, he hasn't paid much attention to those discussions because there is just too much work to do to get HR processes established. Now he's received a request from one of the cleaning managers about hiring 25 new commercial cleaners and he's

worried about finding these new hires. The problem is that because the commercial cleaners must work at night after the office buildings are closed for the day, his current recruiting strategy won't necessarily work. Jack now must find experienced cleaners willing to work in the evening and that is a challenging task. Further, turnover is already high in the residential cleaning business. Exit interviews with employees who have quit suggest that they find the work tedious. Jack expresses his concerns about these staffing challenges to the cleaning manager. But the cleaning manager reminds him they have been talking about this expansion for a while and suggests that Jack should have been planning for this.

★ If your professor has assigned this, go to [mymanagementlab.com](http://mymanagementlab.com) to complete the HR Bloopers exercise and test your application of these concepts when faced with real-world decisions.

**FIGURE 4-2**  
The Human Resource  
Planning Process



**OBJECTIVE 4.3**

Describe forecasting requirements.

**HR Web Wisdom**

*HR Planning Organization*  
<http://www.hrps.org>

This is the Web site for the Human Resource Planning Society.

**zero-base forecast**

Forecasting method that uses the organization's current level of employment as the starting point for determining future staffing needs.

**bottom-up forecast**

Forecasting method in which each successive level in the organization, starting with the lowest, forecasts its requirements, ultimately providing an aggregate forecast of employees needed.

## Forecasting Human Resource Requirements

Before HR requirements can be projected, demand for the firm's goods or services must be forecasted. This forecast is then converted into people requirements for the activities necessary to meet this demand. For a firm that manufactures personal computers, activities might be stated in terms of the number of units to be produced, number of sales calls to be made, number of vouchers to be processed, or a variety of other activities. For example, manufacturing 1,000 laptop computers each week might require 10,000 hours of work by assemblers during a 40-hour week. Dividing the 10,000 hours by the 40 hours in the workweek gives 250 assembly workers needed. Similar calculations are performed for the other jobs needed to produce and market the computers.

Several techniques for forecasting HR requirements are currently used. Some of the techniques are qualitative in nature, and others are quantitative.

### Zero-Base Forecast

The **zero-base forecast** uses the organization's current level of employment as the starting point for determining future staffing needs.

Essentially, the same procedure is used for HR planning as for zero-base budgeting, whereby each budget must be justified again each year. If an employee retires, is fired, or leaves the firm for any reason, the position is not automatically filled. Instead, an analysis is made to determine whether the firm can justify filling it. Equal concern is shown for creating new positions when they appear to be needed. The key to zero-base forecasting is a thorough analysis of HR needs. Frequently, the position is not filled and the work is spread out among remaining employees, as often is the case with firms that downsize. Plans may also involve outsourcing or other approaches as an alternative to hiring.

### Bottom-Up Forecast

In the **bottom-up forecast**, each successive level in the organization, starting with the lowest, forecasts its requirements, ultimately providing an aggregate forecast of employees needed.

It is based on the reasoning that the manager in each unit is most knowledgeable about employment requirements. Beginning with the lowest-level work units in the organization, each unit manager makes an estimate of personnel needs for the period of time encompassed by the planning cycle. As the process moves upward in the company, each successively higher level of management in turn makes its own estimates of needs, incorporating the input from each of the immediately preceding levels. The result, ultimately, is an aggregate forecast of needs for the entire organization. This process is often highly interactive in that estimated requirements from the previous level are discussed, negotiated, and re-estimated with the next level of management as the forecast moves upward through the organization. The interactive aspect of managerial estimating is one of the advantages of this procedure because it forces managers to justify their anticipated staffing needs.

### Relationship between Volume of Sales and Number of Workers Required

Historically, one of the most useful predictors of employment levels is sales volume. The relationship between demand and the number of employees needed is a positive one. As you can see in Figure 4-3, a firm's sales volume is depicted on the horizontal axis and the number of employees actually required is shown on the vertical axis. In this illustration, as sales decrease, so does the number of employees. Using such a method, managers can approximate the number of employees required at different demand levels. Quantitative methods such as regression analysis can be helpful in determining the number of workers needed.

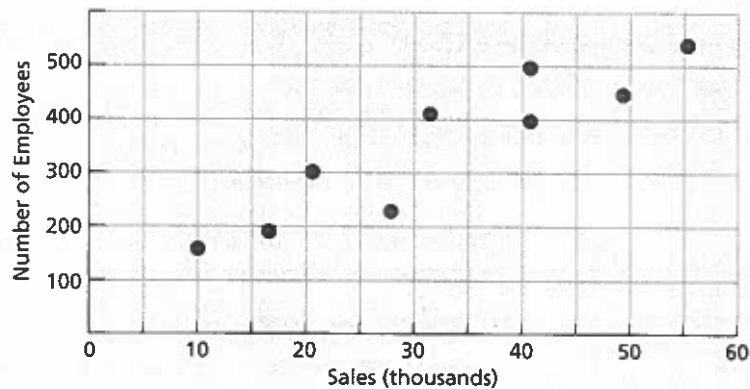
**OBJECTIVE 4.4**

Summarize forecasting human resource availability.

## Forecasting Human Resource Availability

To forecast availability, the HR manager looks to both internal sources (current employees) and external sources (the labor market). The determination of whether the firm will be able to secure employees with the necessary skills, and from what sources, is an *availability forecast*. It helps to show whether the needed employees may be obtained from within the company,

**FIGURE 4-3**  
**Relationship of Sales**  
**Volume to Number of**  
**Employees**



from outside the organization, or from a combination of the two sources. Another possibility is that the required skills are not immediately available from any feasible source. Consider the following example:

*A large manufacturing firm on the West Coast was preparing to begin operations in a new plant. Analysts had already determined there was a large long-term demand for the new product. Financing was available and equipment was in place. But production did not begin for two years! Management had made a critical mistake: It had studied the demand side of HR but not the supply side. There were not enough qualified workers in the local labor market to operate the new plant. New workers had to receive extensive training before they could move into the newly created jobs.*

This illustration provides one more instance of the importance of HR involvement in strategic planning.

#### OBJECTIVE 4.5

Explain what a firm can do when either a shortage or surplus of workers exists.

### Shortage or Surplus of Workers Forecasted

When firms are faced with a shortage of workers, organizations will have to intensify their efforts to recruit the necessary people to meet the needs of the firm. Some possible actions will be discussed next.

Registered nurses and other health-care occupations are expected to grow rapidly from 2012 to 2022. The employment of registered nurses is expected to grow 19 percent during this period.

### ETHICAL DILEMMA

#### Which “Thinker” Should Go?

Your company is a leading producer of advanced microchips. You are the chief researcher in your firm's *think tank*, which consists of eight people with various specialties. Your group has generated most of the ideas and product innovations that have kept the company an industry leader for 10 years. In fact, the think tank has been so successful that another one has been organized to support the company's newest manufacturing operation on the West Coast. The individuals included in the new think tank have already been selected, but your boss has just assigned you the task of deciding who from your group of thinkers will head the new organization.

The person best qualified for the job is Tim Mathers. Tim is an MIT graduate, the informal team leader, and the individual who

personally spearheaded three of the team's five most successful product advancements. However, if Tim is given the promotion, the void created by his leaving will be difficult to fill. On the other hand, the boss forced his nephew, Robert Jones, into your group. He is a sharp graduate of the local state university, but he is not a team player and he is always trying to push you around. You can either recommend Tim, illustrating that those who produce the most benefit the most, or you can recommend Robert, making the boss happy, getting rid of a problem, and, most important of all, keeping your best performer.

1. What would you do?
2. What factor(s) in this ethical dilemma might influence a person to make a less-than-ethical decision?

which is faster than average for all occupations. According to the U.S. Labor of Bureau of Statistics, multiple factors are contributing to increased demand for registered nurses:

*Demand for healthcare services will increase because of the aging population, since older people typically have more medical problems than younger people. Nurses also will be needed to educate and to care for patients with various chronic conditions, such as arthritis, dementia, diabetes, and obesity. In addition, the number of individuals who have access to healthcare services will increase, as a result of federal health insurance reform. More nurses will be needed to care for these patients.*

*The financial pressure on hospitals to discharge patients as soon as possible may result in more people admitted to long-term care facilities, outpatient care centers, and greater need for home healthcare. Job growth is expected in facilities that provide long-term rehabilitation for stroke and head injury patients, as well as facilities that treat people with Alzheimer's disease. In addition, because many older people prefer to be treated at home or in residential care facilities, registered nurses will be in demand in those settings.*

*Growth is also expected to be faster than average in outpatient care centers where patients do not stay overnight, such as those that provide same-day chemotherapy, rehabilitation, and surgery. In addition, an increased number of procedures, as well as more sophisticated procedures previously done only in hospitals, are performed in ambulatory care settings and physicians' offices.<sup>7</sup>*

Job openings by major occupational group are expected to vary widely from 2012 to 2022. Two factors contribute to the expected values: Growth in a profession given demand (such as in the case of nursing) and company replacement needs, likely as employees retire or choose to work elsewhere. Figure 4-4 shows these projections for several occupational groups. The greatest growth in job openings is predicted to be in office and administrative support followed by sales and related occupations. The lowest growth is expected in the legal profession as well as in farming, fishing, and forestry.

### **Innovative Recruiting**

A shortage of personnel often means that new approaches to recruiting must be used. The organization may have to recruit in different geographic areas than in the past, explore new methods, and seek different kinds of candidates. In using innovative recruiting, businesses must attempt to determine who their prospective employees are and what motivates them. For example, given the physical and emotional demands of the nursing profession, many organizations offer flexible work schedules, child care, and educational benefits. Other practices for other occupational groups may be required to attract employees to a firm, such as four-day workweeks (compressed workweeks), telecommuting, and part-time employment.

### **Compensation Incentives**

Firms competing for workers in a high-demand situation may have to rely on compensation incentives. Premium pay is one obvious method; however, this approach may trigger a bidding war that the organization cannot sustain for an extended period. To offset the bidding war, some organizations use signing bonuses to entice individuals to join the firm. For example, the U.S. Army Corps offers a signing bonus up to \$30,000 for individuals who join as nurses.<sup>8</sup>

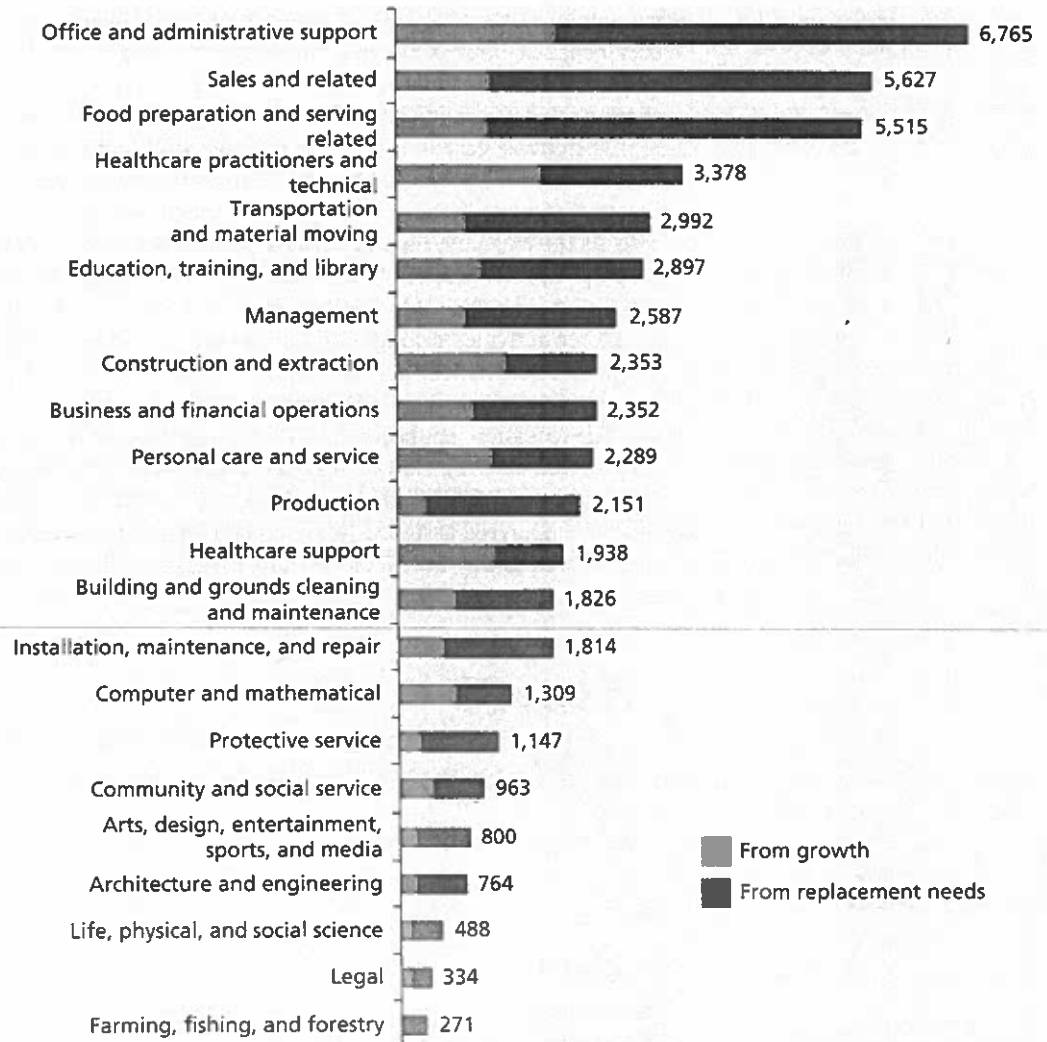
### **Alternatives to Layoffs**

Special training programs may be needed to prepare previously unemployable individuals for positions with a firm. Remedial education and skills training are two types of programs that may help attract individuals to a particular company. For example, a small firm in Los Angeles expanded its market by hiring people with few, if any, qualifications. The firm was willing to spend the necessary time and money needed to provide even basic training.

When a comparison of requirements and availability indicates that a worker surplus will result, most companies look to alternatives to layoffs but downsizing may ultimately be required. At times, layoffs can be a necessary cost-cutting measure. However, there are counterproductive problems associated with layoffs, such as increased turnover, especially among the best, most productive workers, and the creation of anxiety among remaining staff, resulting in lower morale, reduced

**FIGURE 4-4****Job openings by major occupational group, projected 2012–2022, in thousands of openings**

Source: *Occupational Outlook Quarterly* (Winter 2013–14): Page 9. Accessed February 23, 2014, at <http://www.bls.gov/ooq>.



worker engagement, and decreased productivity. Therefore, whenever financially feasible, firms need to look for alternatives to layoff and retain as many workers as possible.

One of the first alternatives to layoffs is to implement a restricted hiring policy that reduces the workforce by not replacing employees who leave. There are basically three forms of freezes. A *hard freeze* means that no new workers are hired to replace a vacated position. A *soft freeze* means that the company is only hiring to fill critical positions. New workers are hired only when the overall performance of the organization may be affected. A new term, *smart freeze* has entered HR vocabulary. HR and managers evaluate every position to determine the ones the company could not survive without and those that are difficult to fill and continue to hire them. Some companies might even lay off marginal workers in critical positions and seek more qualified workers to fill these positions.<sup>9</sup>

Early retirement is another way to reduce the number of workers. Some employees will be delighted to retire, but others will be somewhat reluctant. However, the latter may be willing to accept early retirement if the total retirement package is made sufficiently attractive. A tactic that is popular in the construction market is swapping employees. Some companies loan out staff to partner companies during slow times, while promising to hire back the workers when conditions improve. While the workers were away, they learned new skills and those left behind learned the skills to replace them.

Another alternative to layoffs is permitting an employee to go from full-time to 30 hours a week without losing health benefits.<sup>10</sup> Some companies may offer job-sharing arrangements. This arrangement can enable organizations to retain top talent in lieu of layoffs while having minimal impact on the overall labor budget. For example, employee benefits can be fairly managed on a

per-employee basis, as two 20-hour-a-week part timers may have comparably pro-rated, scaled back benefits. Other companies may reduce the workweek from five days to four thereby having a 20 percent reduction in wages. Some companies may offer an unpaid holiday option where instead of taking two weeks off, employees are being asked to take five, with three being unpaid.

The classic case of a firm that believes a no-layoff policy is best for continuous well-being of the firm is Cleveland's Lincoln Electric, a manufacturer of arc welding equipment. Lincoln Electric offers its Guaranteed Continuous Employment Plan, which provides covered employees with security against layoffs because of lack of work.<sup>11</sup> Since the 1930s, this \$3 billion company has kept its promise to its U.S. employees to never lay them off for economic reasons. For decades, wages were 20 to 30 percent above industry averages. The firm believes that a stable workforce provides a long-term competitive advantage. In difficult times, hours are reduced, people are reassigned, and white-collar salaries are cut. As long as workers meet the firm's performance standards, no one is laid off.

The recession that began in 2007 created uncertainty, and job losses were prevalent in much of the media industry. Gawker Media founder Nick Denton faced difficult staffing choices because of the recession. Ultimately, they chose to hire new talent in growth areas of their business, but laid off employees assigned to underperforming areas of the business. The following Watch It video describes Gawker Media's efforts to make staffing decisions to the benefit of the company's long-term success.

### ★ Watch It 3

If your instructor has assigned this, go to MyManagementLab to watch a video titled *Gawker Media: Personnel Planning and Recruiting* and to respond to questions.

#### OBJECTIVE 4.6

Describe strategic succession planning in today's environment.

#### succession planning

Process of ensuring that qualified persons are available to assume key managerial positions once the positions are vacant.

## Succession Planning: A Component of Strategic Planning

**Succession planning** is the process of ensuring that qualified persons are available to assume key managerial positions once the positions are vacant.

Nothing could be as important to the strategic well-being of a company as ensuring that a qualified person is in place to lead the company both now and in the future. This succession planning definition includes untimely deaths, resignations, terminations, or the orderly retirements of key managerial personnel. The goal is to help ensure a smooth transition and operational efficiency, but the transition is often difficult. The Institute for Corporate Productivity (i4cp) paper "Succession Planning Highlight Report" found that succession planning will be among the top five challenges executives face in the future.<sup>12</sup> However, in another survey, more than half of U.S. and Canadian companies surveyed could not immediately name a successor to their organization's chief executive officer.

General Electric (GE) provides an example of a company with an excellent succession plan. At GE the goal is same-day succession. When senior vice president Larry Johnston quit to become the CEO at Albertsons, the position was filled the same day. Bill Conaty, former senior vice president of HR at General Electric said, "We had candidates with two or three backups for all key positions—including the C-suite and all business units. And the board already knew who was lined up thanks to six-month reviews."<sup>13</sup> This process is in sharp contrast to the difficulty that Hewlett-Packard has experienced in the selection of a new CEO. HP has its third CEO in slightly more than a year<sup>14</sup> and its eighth CEO since 1999.<sup>15</sup> None of the former CEOs at HP had implemented a succession plan that would have at least identified internal candidates who were qualified to take over should the need arise.<sup>16</sup> This form of disruption can be a serious drain on both morale and the financial well-being of the firm.

Because of the tremendous changes that will confront management this century, succession planning is taking on more importance than ever before. Deaths are not the only challenges that have created an increased focus on succession planning. For example, the premature firing of CEOs is no longer a rare event. CEOs are being terminated more quickly than in the past.

In recent years, succession planning is going much deeper into the workforce. A firm might have a good succession plan for top-level positions but few plans for the levels where all the work is performed. There is a movement away from traditional succession planning, which was focused only on top executives of the company. Succession management is now involving middle managers, where they are developed to help ensure that key roles below the C-suite have ready replacements.<sup>17</sup> The succession plan needs to consider both external and internal candidates.

Succession planning is often neglected in small businesses because it is generally thought of in terms of replacing CEOs and key executives within larger businesses. But, succession planning is just as, or more, important for small businesses. A problem, however, is that only 31 percent of small business owners say their businesses are extremely or very prepared for such an event.<sup>18</sup> Without proper succession planning, the company could face economic and tax disasters. Often the small business owner's argument against succession planning may be "we're too small," "we're too new," "we have good people in place," or "I'm not going anywhere soon."<sup>19</sup> Many of today's small businesses will not survive to the next generation of same family ownership. In fact, it is estimated that only 30 percent of businesses make it to the second generation, and just 10 percent survive to the third generation.<sup>20</sup> Peter Handal, president, CEO, and chairman of Dale Carnegie Training, said, "The failure to establish a comprehensive succession plan is a leading cause of this phenomenon."<sup>21</sup>

#### OBJECTIVE 4.7

Describe the types of information required for job analysis and the reasons for conducting it.

#### job analysis

Systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization.

#### job

Group of tasks that must be performed for an organization to achieve its goals.

#### position

Collection of tasks and responsibilities performed by one person.

## Job Analysis: A Basic Human Resource Management Tool

**Job analysis** is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization. With job analysis, the tasks needed to perform the job are identified. Traditionally, it is an essential and pervasive HR technique and the starting point for other HR activities. In today's rapidly changing work environment, the need for a sound job analysis system is critical. New jobs are being created, and old jobs are being redesigned or eliminated. A job analysis that was conducted only a few years ago may now be obsolete and must be redone. Some have even suggested that changes are occurring too fast to maintain an effective job analysis system.

A **job** consists of a group of tasks that must be performed for an organization to achieve its goals. A job may require the services of one person, such as that of the president, or the services of 75, as might be the case with machine operators in a large manufacturing firm. A **position** is the collection of tasks and responsibilities performed by *one* person; there is a position for every individual in an organization.

In a work group consisting of a supervisor, two senior analysts, and four analysts, there are three jobs and seven positions. A small company might have 25 jobs for its 75 employees, whereas in a large company 2,000 jobs may exist for 50,000 employees. In some firms, as few as 10 jobs may make up 90 percent of the workforce.

The purpose of job analysis is to obtain answers to six important questions:

1. What physical and mental tasks does the worker accomplish?
2. When is the job to be completed?
3. Where is the job to be accomplished?
4. How does the worker do the job?
5. Why is the job done?
6. What qualifications are needed to perform the job?

Job analysis provides a summary of a job's duties and responsibilities, its relationship to other jobs, the knowledge and skills required, and working conditions under which it is performed. Job facts are gathered, analyzed, and recorded, as the job exists, not as the job should exist.<sup>22</sup> Determining how the job should exist is most often assigned to industrial engineers, methods analysts, or others. Job analysis is conducted after the job has been designed, the worker has been trained, and the job is being performed.

Job analysis is performed on three occasions: (1) when the organization is founded and a job analysis program is initiated for the first time; (2) when new jobs are created; and (3) when jobs

are changed significantly as a result of new technologies, methods, procedures, or systems. Jobs also change when there is increased emphasis on teamwork in organizations, empowerment of employees, or other managerial interventions such as quality management systems. Job analysis is most often performed because of changes in the nature of jobs. From job analysis information, both job descriptions and job specifications can be prepared.

**job description**  
Document that provides information regarding the essential tasks, duties, and responsibilities of a job.

**job specification**  
A document that outlines the minimum acceptable qualifications a person should possess to perform a particular job.

The **job description** is a document that provides information regarding the essential tasks, duties, and responsibilities of the job. The minimum acceptable qualifications a person should possess to perform a particular job are contained in the **job specification**.<sup>23</sup> Both types of documents will be discussed in greater detail later in this chapter.

**Reasons for Conducting Job Analysis**

As Figure 4-5 shows, data derived from job analysis in the form of the job description/specification can have an impact on virtually every aspect of HR management.<sup>24</sup> In practice, both the job description and job specification are combined into one document with the job specification presented after the job description.

**Staffing**

All areas of staffing would be haphazard if the organization did not know the qualifications needed to perform the various jobs. A major use of job analysis data is found in HR planning (discussed later in this chapter). Merely knowing that the firm will need 1000 new employees to produce goods or services to satisfy sales demand is insufficient. Each job requires different knowledge, skills, and ability levels. Obviously, effective HR planning must take these job requirements into consideration. Also, lacking up-to-date job descriptions and specifications, a firm would have to recruit and select employees for jobs without having clear guidelines, a practice that could have disastrous consequences.

**Training and Development**

Job description information often proves beneficial in identifying training and development needs. If it suggests that the job requires a particular knowledge, skill, or ability, and the person filling the position does not possess all the qualifications required, training or development are probably in order. Training should be directed at assisting workers in performing duties specified in their present job descriptions or at developing skills for broader responsibilities.

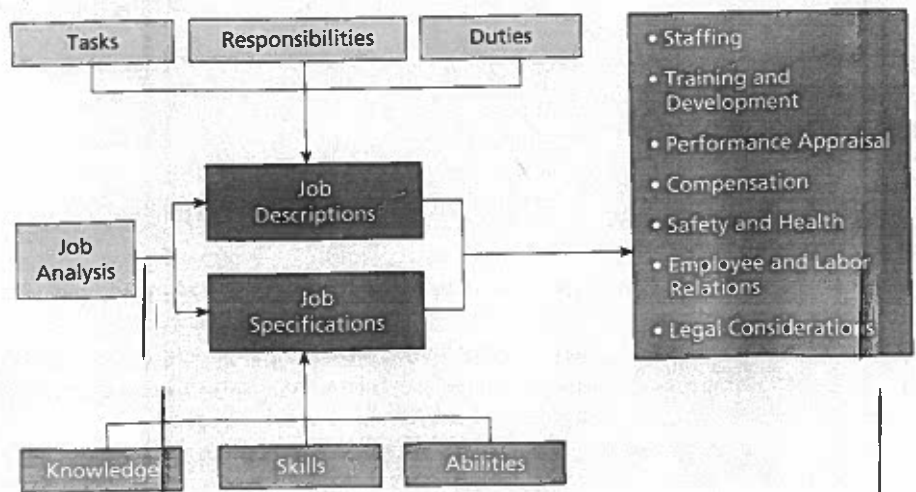
**Performance Appraisal**

Most workers want to know what they are supposed to accomplish and good job descriptions provide that. Then, employees should be evaluated in terms of how well they accomplish the duties specified in their job descriptions and any other specific goals that may have been established. A manager who evaluates an employee on factors not clearly predetermined is left open to allegations of discrimination.

**FIGURE 4-5**  
**Job Analysis: A Basic Human Resource Management Tool**

*★*

*Job Analysis*



## Compensation

In the area of compensation, it is helpful to know the relative value of a particular job to the company before a dollar value is placed on it. Jobs that require greater knowledge, skills, and abilities should be worth more to the firm. For example, the relative value of a job calling for a master's degree normally would be higher than that of a job that requires a high school diploma. This might not be the case if the market value of the job requiring only a high school diploma was higher, however. Such a situation occurred in a major West Coast city a number of years ago. It came to light that city sanitation engineers (garbage collectors) were paid more than better-educated public schoolteachers.

## Safety and Health

Information derived from job analysis is also valuable in identifying safety and health considerations. For example, employers are required to inform workers when a job is hazardous. The job description/specification should reflect this condition. In addition, in certain hazardous jobs, workers may need specific information about the hazards to perform their jobs safely.

## Employee and Labor Relations

Job analysis information is also important in employee and labor relations. When employees are considered for promotion, transfer, or demotion, the job description provides a standard for evaluation and comparison of talent. Information obtained through job analysis can often lead to more objective human resource decisions.

## Legal Considerations

A properly prepared job analysis is particularly important for supporting the legality of employment practices. Before the equal employment opportunity movement in the early 1960s and 1970s, few firms had effective job analysis systems.<sup>25</sup> But the need to validate basic job requirements hastened the growth in the use of job analysis to prepare job descriptions/specifications. The importance of job analysis is well documented in the *Uniform Guidelines on Employee Selection Procedures*.<sup>26</sup> Job analysis data are needed to defend decisions involving termination, promotion, transfers, and demotions. Job analysis provides the basis for tying the HR functions together and the foundation for developing a sound HR program.

### OBJECTIVE 4.8

Summarize the types of job analysis information.

## Types of Job Analysis Information

Considerable information is needed for the successful accomplishment of job analysis. The job analyst identifies the job's actual duties and responsibilities and gathers the other types of data such as work activities; worker-oriented activities; machines, tools, equipment, and work aids used; and personal requirements. This information is used to help determine the job skills needed. In addition, the job analyst looks at job-related tangibles and intangibles, such as the knowledge needed, the materials processed, and the goods made or services performed. Essential functions of the job are determined in this process.

Some job analysis systems identify job standards. Work measurement studies may be needed to determine how long it takes to perform a task. With regard to job content, the analyst studies the work schedule, financial and nonfinancial incentives, and physical working conditions. Specific education, training, and work experience pertinent to the job are identified. Because many jobs are often performed in conjunction with others, organizational and social contexts are also noted. Subjective skills required, such as strong interpersonal skills, should be identified if the job requires the jobholder to be personable.

### OBJECTIVE 4.9

Explain the various job analysis methods.

## Job Analysis Methods

Job analysis has traditionally been conducted in a number of different ways because organizational needs and resources for conducting job analysis differ. Selection of a specific method should be based on the purposes for which the information is to be used (job evaluation, pay increases, development, and so on) and the approach that is most feasible for a particular organization. The historically most common methods of job analysis are discussed in the following sections.

### Questionnaires

Questionnaires are typically quick and economical to use. The job analyst may administer a structured questionnaire to employees, who identify the tasks they perform. However, in some cases, employees may lack verbal skills, a condition that makes this method less useful. Also, some employees may tend to exaggerate the significance of their tasks, suggesting more responsibility than actually exists.

### Observation

When using the observation method, the job analyst watches the worker perform job tasks and records his or her observations. This method is used primarily to gather information on jobs emphasizing manual skills, such as those of a machine operator. It can also help the analyst identify interrelationships between physical and mental tasks. Observation alone is usually an insufficient means of conducting job analysis, however, particularly when mental skills are dominant in a job. Observing a financial analyst at work would not reveal much about the requirements of the job.

### Interviews

An understanding of the job may also be gained through interviewing both the employee and the supervisor. Usually, the analyst interviews the employee first, helping him or her describe the duties performed. Then, the analyst normally contacts the supervisor for additional information, to check the accuracy of the information obtained from the employee, and to clarify certain points.

### Employee Recording

In some instances, job analysis information is gathered by having employees describe their daily work activities in a diary or log. With this method, the problem of employees exaggerating job importance may have to be overcome. Even so, valuable understanding of highly specialized jobs, such as recreational therapist, may be obtained in this way.

### Combination of Methods

Usually an analyst does not use one job analysis method exclusively. A combination of methods is often more appropriate. In analyzing clerical and administrative jobs, the analyst might use questionnaires supported by interviews and limited observation. In studying production jobs, interviews supplemented by extensive work observations may provide the necessary data. Basically, the analyst should use the combination of techniques needed for accurate job descriptions/specifications.

Over the years, attempts have been made to provide more systematic methods of conducting job analysis. Several of these approaches are discussed in Table 4-1.

The person who conducts job analysis is interested in gathering data on what is involved in performing a particular job. The people who participate in job analysis should include, at a minimum, the employee and the employee's immediate supervisor. Large organizations may have one or more job analysts, but in small organizations line supervisors may be responsible for the task. Organizations that lack the technical expertise may use outside consultants to perform job analysis.

Regardless of the approach taken, before conducting job analysis, the analyst should learn as much as possible about the job by reviewing organizational charts and talking with individuals acquainted with the jobs to be studied. Before beginning, the supervisor should introduce the analyst to the employees and explain the purpose of the job analysis. Upon completion of the job analysis, two basic HR documents—job descriptions and job specifications—can be prepared. As previously mentioned, in practice, both the job description and job specification are combined into one document with the job specification presented after the job description.

#### OBJECTIVE 4.10

Describe the components of a job description.

### Job Descriptions

Information obtained through job analysis is crucial to the development of job descriptions. It is vitally important that job descriptions are both relevant and accurate.<sup>27</sup> They should provide concise statements of what employees are expected to do on the job, how they do it, and the

**TABLE 4-1****Other Methods Available for Conducting Job Analysis****Department of Labor Job Analysis Schedule**

The U.S. Department of Labor established a method of systematically studying jobs and occupations called the job analysis schedule (JAS). When the JAS method is used, a trained analyst gathers information. A major component of the JAS is the Work Performed Ratings section. Here, what workers do in performing a job with regard to data (D), people (P), and things (T) is evaluated. Each is viewed as a hierarchy of functions, with the items higher in the category being more difficult. The codes in the worker functions section represent the highest level of involvement in each of the three categories.

The JAS component "Worker Traits Ratings" relates primarily to job requirement data. The topics general education designation (GED), specific vocational preparation (SVP), aptitudes, temperaments, interests, physical demands, and environmental conditions are included. The Description of Tasks section provides a specific description of the work performed. Both routine tasks and occasionally performed tasks are included.

**Functional Job Analysis**

Functional job analysis (FJA) is a comprehensive job analysis approach that concentrates on the interactions among the work, the worker, and the organization. This approach is a modification of the job analysis schedule. It assesses specific job outputs and identifies job tasks in terms of task statements.

**Position Analysis Questionnaire**

The position analysis questionnaire (PAQ) is a structured job analysis questionnaire that uses a checklist approach to identify job elements. It focuses on general worker behaviors instead of tasks. Some 194 job descriptors relate to job-oriented elements. Advocates of the PAQ believe that its ability to identify job elements, behaviors required of job incumbents, and other job characteristics makes this procedure applicable to the analysis of virtually any type of job. Each job descriptor is evaluated on a specified scale such as extent of use, amount of time, importance of job, possibility of occurrence, and applicability.

Each job being studied is scored relative to the 32 job dimensions. The score derived represents a profile of the job; this can be compared with standard profiles to group jobs into known job families, that is, job of a similar nature. In essence, the PAQ identifies significant job behaviors and classifies jobs. Using the PAQ, job descriptions can be based on the relative importance and emphasis placed on various job elements. The PAQ has been called one of the most useful job analysis methods.

**Management Position Description Questionnaire**

The management position description questionnaire (MPDQ) is a method of job analysis designed for management positions; it uses a checklist to analyze jobs. The MPDQ has been used to determine the training needs of individuals who are slated to move into managerial positions. It has also been used to evaluate and set compensation rates for managerial jobs and to assign the jobs to job families.

**Guidelines-Oriented Job Analysis**

The guidelines-oriented job analysis (GOJA) responds to the legislation affecting staffing and involves a step-by-step procedure to define the work of a particular job classification. It is also used for developing selection tools, such as application forms, and for documenting compliance with various legal requirements. The GOJA obtains the following types of information: (1) machines, tools, and equipment; (2) supervision; (3) contacts; (4) duties; (5) knowledge, skills, and abilities; (6) physical and other requirements; and (7) differentiating requirements.

conditions under which the duties are performed. Concise job descriptions put an end to the possibility of hearing "that's not my job." Among the items frequently included in a job description are these:

- Major duties performed
- Percentage of time devoted to each duty
- Performance standards to be achieved
- Working conditions and possible hazards
- Number of employees performing the job, and to whom they report
- The machines and equipment used on the job

Having accurate job descriptions is the starting point for most HR tasks. Table 4-2 provides some suggestions for the proper language to be used in job descriptions.

**TABLE 4-2****Proper Language in the Job Description**

Keep each statement in the job description crisp and clear:

- Structure your sentences in classic verb/object and explanatory phrases. Since the occupant of the job is your sentences' implied subject, it may be eliminated. For example, a sentence pertaining to the description of a receptionist position might read: "Greet office visitors and personnel in a friendly and sincere manner."
- Always use the present tense of verbs.
- If necessary, use explanatory phrases telling why, how, where, or how often to add meaning and clarity. For example: "Collects all employee time sheets on a biweekly basis for payroll purposes."
- Omit any unnecessary articles such as "a," "an," "the," or other words for an easy-to-understand description. Using the above example, the statement could have read, "Greet all visitors and the office personnel to the building in a friendly and a sincere manner."
- Use unbiased terminology. For example, use the 'he/she' approach or construct sentences in such a way that gender pronouns are not required.
- Avoid using words which are subject to differing interpretations. Try not to use words such as "frequently," "some," "complex," "occasional," and "several."

Source: <http://www.sba.gov/content/writing-effective-job-descriptions>

The contents of the job description vary somewhat with the purpose for which it will be used. The next sections address the parts of a job description.

**Job Identification**

The job identification section includes the job title, the department, the reporting relationship, and a job number or code. A good title will closely approximate the nature of the work content and will distinguish that job from others. Unfortunately, job titles are often misleading. An executive assistant in one organization may be little more than a highly paid clerk, whereas a person with the same title in another firm may practically run the company. For instance, one former student's first job after graduation was with a major tire and rubber company as an *assistant district service manager*. Because the primary duties of the job were to unload tires from trucks, check tread wear, and stack tires in boxcars, a more appropriate title would probably have been *tire checker and stacker*.

**Date of the Job Analysis**

The job analysis date is placed on the job description to aid in identifying job changes that would make the description obsolete. Some firms have found it useful to place an expiration date on the document. This practice ensures periodic review of job content and minimizes the number of obsolete job descriptions.

**Job Summary**

The job summary provides a concise overview of the job. It is generally a short paragraph that states job content.

**Duties Performed**

The body of the job description delineates the major duties to be performed. Usually, one sentence beginning with an action verb (such as *receives*, *performs*, *establishes*, or *assembles*) adequately explains each duty. Essential functions may be shown in a separate section to aid in complying with the Americans with Disabilities Act. An example of a job description/specification of a records clerk is shown in Figure 4-6.

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**FIGURE 4-6**  
**Job Description/  
Specification Example**

<p><b>Administrative Information</b>          Job Title: Records Clerk          Department: Loan Operations          Reports To: Loan Operation Manager          Job Number: 11</p> <p><b>Date of Job Analysis</b>          January 21, 2015</p> <p><b>Expiration Date</b>          January 2018</p> <p><b>Job Summary</b>          Returns all consumer paid loan documents to customers. Supervises the daily activities of two clerks.</p> <p><b>Essential Functions Performed</b>          Receives monthly files for accounts that have been paid in full and require the return of contracts, mortgage documents, auto titles, and other documents.          Answers telephone and e-mail inquiries from customers or loan officers concerning documents.          Maintains file on temporary automobile titles until permanent title is received.          Files permanent automobile titles, contracts, mortgage documents, and other documents in customer files on a daily basis.          Supervises two file clerks who maintain correspondence and other general files.          Performs file clerk duties as needed.          Performs other duties, as required, on a temporary basis, to maintain section or departmental operations and services.</p> <p><b>Job Specifications</b></p> <p><b>Education</b>          High school diploma preferred, but not required</p> <p><b>Experience</b>          Six months or more in a financial institution and familiarity with various loan documents</p> <p><b>Skills Required</b>          Working knowledge of Microsoft Word and Excel          Ability to enter data at a rate of 35 words per minute</p>
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will increase because ideal candidates will have to be compensated more than candidates with lesser skills. Third, job vacancies will be harder to fill because ideal candidates are more difficult to find than minimally qualified candidates. Finally, including an unnecessary requirement in the job specification may actually keep really qualified applicants out of the selection pool.<sup>28</sup>

Determining the appropriate qualifications for a job is undoubtedly the most difficult part of job analysis. It requires a great deal of probing on the part of the job analyst as well as a broad understanding of the skills needed to perform varieties of work. Items typically included in the job specification are factors that are job related, such as educational requirements, experience, and job-related personality traits and physical abilities. As previously mentioned, in practice, job specifications are often included as a major section of job descriptions.

After jobs have been analyzed and the descriptions written, the results should be reviewed with the supervisor and the worker to ensure that they are accurate, clear, and understandable. The courtesy of reviewing results with employees also helps to gain their acceptance.

## Standard Occupational Classification (SOC) and the Occupational Information Network (O\*NET)

The 2010 Standard Occupational Classification (SOC) system is used by federal statistical agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data. All workers are classified into one of 840 detailed occupations according to

### OBJECTIVE 4.11

Explain the Standard Occupational Classification (SOC) and the Occupational Information Network (O\*NET).

**TABLE 4-3**  
**Representative SOC Descriptions 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*

**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*

**13-1141 Compensation, Benefits, and Job Analysis Specialists**

Conduct programs of compensation and benefits and job analysis for employer. May specialize in specific areas, such as position classification and pension programs.

Illustrative examples: *Employee Benefits Specialist, Retirement Plan Specialist, Job Analyst*

**11-3131 Training and Development Managers**

Plan, direct, or coordinate the training and development activities and staff of an organization.

Illustrative examples: *Labor Training Manager, Employee Development Director, E-Learning Manager*

**17-2111 Health and Safety Engineers, Except Mining Safety Engineers and Inspectors**

Promote worksite or product safety by applying knowledge of industrial processes, mechanics, chemistry, psychology, and industrial health and safety laws. Includes industrial product safety engineers.

Illustrative examples: *Product Safety Engineer, Fire Protection Engineer, Industrial Safety Engineer*

Source: <http://www.bls.gov/soc/2010/soc>.



**HR Web Wisdom**

*Standard Occupational Classification (SOC)*

[http://www.bls.gov/soc/2010/soc\\_alpha.htm](http://www.bls.gov/soc/2010/soc_alpha.htm)

Provides an alphabetical list of SOC occupations.



**HR Web Wisdom**

*O\*NET OnLine*

<http://www.onetonline.org/>

O\*NET OnLine has detailed descriptions of the world of work for use by job seekers, workforce development and HR professionals, students, researchers, and more!

their occupational definition. To facilitate classification, detailed occupations are combined to form 461 broad occupations, 97 minor groups, and 23 major groups. Detailed occupations in the SOC with similar job duties, and in some cases skills, education, or training, are grouped together. The federal government updates job descriptions for all U.S. workers every 10 years. The 2010 SOC replaced the 2000 system. The SOC's substantive structural changes are based on actual changes in the nature or organization of work activities being performed in the economy. The update also provides an opportunity for professional organizations and labor groups to seek recognition or a higher profile for their members' occupations by gaining a separate listing or reclassification. Most current occupations will be unaffected except perhaps for a change in the description's wording. Some representative SOC descriptions for HR professionals may be seen in Table 4-3.<sup>29</sup>

**The Occupational Information Network (O\*NET)**

The Occupational Information Network (O\*NET) is a comprehensive database of worker attributes and job characteristics, which is administered by the U.S. Department of Labor's Employment and Training Administration and developed in collaboration with a variety of private and public companies. It is the nation's primary source of occupational information. It is a flexible, easy-to-use database system that provides a common language for defining and describing occupations. Its flexible design also captures rapidly changing job requirements. It provides the essential foundation for facilitating career counseling, education, employment, and training activities by containing information about knowledge, skills, abilities; interests; general work activities; and work context.<sup>30</sup> Portions of the information included in an O\*NET description for a Human Resources Specialist may be seen in Table 4-4.

**Job Analysis for Team Members**

Historically, companies have established permanent jobs and filled these jobs with people who best fit the job description. The jobs then continued in effect for years to come. In many firms today, people are being hired as team members. Whenever someone asks a team member, "What

**OBJECTIVE 4.12**

Summarize job analysis for team members.

**TABLE 4-4****Human Resources Specialist****Tasks**

Prepare or maintain employment records related to events such as hiring, termination, leaves, transfers, or promotions, using human resources management system software.

Interpret and explain human resources policies, procedures, laws, standards, or regulations.

Hire employees and process hiring-related paperwork.

Inform job applicants of details such as duties and responsibilities, compensation, benefits, schedules, working conditions, or promotion opportunities.

Address employee relations issues, such as harassment allegations, work complaints, or other employee concerns.

Maintain current knowledge of Equal Employment Opportunity (EEO) and affirmative action guidelines and laws, such as the Americans with Disabilities Act (ADA).

**Knowledge**

**Personnel and Human Resources**—Knowledge of principles and procedures for personnel recruitment, selection, training, compensation and benefits, labor relations and negotiation, and personnel information systems.

**English Language**—Knowledge of the structure and content of the English language including the meaning and spelling of words, rules of composition, and grammar.

**Clerical**—Knowledge of administrative and clerical procedures and systems such as word processing, managing files and records, stenography and transcription, designing forms, and other office procedures and terminology.

**Administration and Management**—Knowledge of business and management principles involved in strategic planning, resource allocation, human resources modeling, leadership technique, production methods, and coordination of people and resources.

**Skills**

**Active Listening**—Giving full attention to what other people are saying, taking time to understand the points being made, asking questions as appropriate, and not interrupting at inappropriate times.

**Speaking**—Talking to others to convey information effectively.

**Reading Comprehension**—Understanding written sentences and paragraphs in work related documents.

**Oral Comprehension**—The ability to listen to and understand information and ideas presented through spoken words and sentences.

**Oral Expression**—The ability to communicate information and ideas in speaking so others will understand.

**Written Comprehension**—The ability to read and understand information and ideas presented in writing.

Source: <http://online.onetcenter.org/>

is your job description?" the reply might well be "Whatever." What this means is that if a project has to be completed, individuals do what has to be done to complete the task.

With team design, there are no narrow job descriptions. Today, the work that departments do is often bundled into teams. The members of these teams have a far greater depth and breadth of skills than would have been required in traditional jobs. Formerly, there might have been 100 separate job classifications in a facility. With team design, there may be just 10 or fewer broadly defined roles of teams. Another dimension is added to job analysis when teams are considered: Job analysis may determine how important it is for employees to be team players and work well in group situations.

Jobs are changing by getting bigger and more complex. The last duty shown on the job description, "And any other duty that may be assigned," is increasingly becoming *the* job description. This enlarged, flexible, complex job changes the way many tasks are performed. Managers cannot simply look for individuals who possess narrow job skills. They must go deeper and seek competencies, intelligence, ability to adjust, and ability and willingness to work in teams. Today more than ever, people go from project to project and from team to team. Job definitions become blurred, and titles become almost meaningless as job descriptions have become even more all-encompassing. Basically, what matters is what you know and how well you apply it to the business.

**OBJECTIVE 4.13**

Explain how job analysis helps satisfy various legal requirements.

## Job Analysis and the Law

Effective job analysis is essential to sound HR management as an organization recruits, selects, and promotes employees. Although the law does not require that companies use job analysis, successful defense against claims of alleged violations of the following laws may depend on the appropriate use of job analysis:

- *Fair Labor Standards Act*: Employees are categorized as exempt or nonexempt, and job analysis is basic to this determination. Nonexempt workers must be paid time and a half when they work more than 40 hours per week. Overtime pay is not required for exempt employees.
- *Equal Pay Act*: If jobs are not substantially different, employees performing them must receive similar pay. When pay differences exist, job descriptions can be used to show whether jobs are substantially equal in terms of skill, effort, responsibility, and working conditions.
- *Civil Rights Act*: HR management has focused on job analysis because selection methods need to be clearly job related. Job descriptions may provide the basis for an equitable compensation system and an adequate defense against unfair discrimination charges in initial selection, promotion, and all other areas of HR administration. When job analysis is not performed, defending certain qualifications established for the job is usually difficult. In the *Griggs v. Duke Power Company* case, the company stated that supervisors must have a high school diploma. However, the company could show no business necessity for this standard. Placing a selection standard in the job specification without having determined its necessity through job analysis makes the firm vulnerable in discrimination suits.
- *Occupational Safety and Health Act*: Job descriptions are required to specify elements of the job that endanger health or are considered unsatisfactory or distasteful by the majority of the population. Showing the job description to the employee in advance is a good defense.
- *Americans with Disabilities Act (ADA)/ADA Amendments Act*: Employers are required to make reasonable accommodations for workers with disabilities who are able to perform the *essential functions* of a job and job analysis is needed to obtain this information. Key elements used to determine essential functions include physical skills, mental skills, job duties, and behavioral skills.<sup>31</sup> The EEOC defines *reasonable accommodation* as any modification or adjustment to a job, an employment practice, or the work environment that makes it possible for an individual with a disability to enjoy an equal employment opportunity. The ADA Amendments Act expands the definition of “disability” and many more applicants and employees are eligible for reasonable accommodations. Certainly stating that every task in a job is essential sends a red flag to the EEOC.<sup>32</sup>

**OBJECTIVE 4.14**

Describe what competencies and competency modeling are.

**competencies**

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.

**competency modeling**

Specifies and defines all the competencies necessary for success in a group of jobs that are set within an industry context.

## Competencies and Competency Modeling

The term *competency* has become an increasingly important topic in HR practice because of the changing nature of work. Competencies build on the use of knowledge, skills, and abilities, which we describe with job analysis, to describe work. **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. Traditionally, as we have seen, work has been described by many dimensions including knowledge, skills, and abilities. Indeed, although this is largely still the case, HR professionals have embraced the ideas of competencies as the field has increasingly taken on strategic importance.

Oftentimes, HR professionals' identification of competencies is derived from an analysis of the overall strategic statements of companies. For example, GE emphasizes three strategic goals for corporate growth: Globalization, Product Services, and Six Sigma (quality improvement). GE's top management relies on four core competencies to drive business success, which they call the four “Es”: high Energy, the ability to Energize others, Edge (i.e., the ability to make tough calls), and Execute (i.e., the ability to turn vision into results).

Apart from the work of many private consulting firms, the U.S. Department of Labor's Employment and Training Administration developed a framework for describing competencies and for building competency models. **Competency modeling** specifies and defines all the competencies necessary for success in a group of jobs that are set within an industry context. Figure 4-7 shows the basic framework for the Department of Labor's competency model structure. According to the U.S. Department of Labor:

FIGURE 4-7

### U.S. Department of Labor Competency Model

Source: U.S. Department of Labor Employment and Training Administration, "Competency Model General Instructions," *CareerOneStop* (2014). Accessed January 5, 2014, at <http://www.careeronestop.org/CompetencyModel/CareerPathway/CPWGenInstructions.aspx>.

#### Occupation-Related Competencies

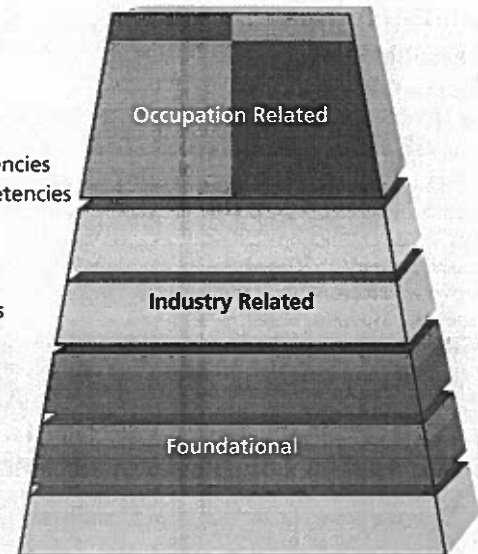
- Tier 9 – Management Competencies
- Tier 8 – Occupation-Specific Requirements
- Tier 7 – Occupation-Specific Technical Competencies
- Tier 6 – Occupation-Specific Knowledge Competencies

#### 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



#### Foundational Competencies

At the base of the model, Tiers 1 through 3 represent competencies that provide the foundation for success in school and in the world of work. Foundational competencies are essential to a large number of occupations and industries. Employers have identified a link between foundational competencies and job performance and have also discovered that foundational competencies are a prerequisite for workers to learn industry-specific skills.

#### Industry-Related Competencies

The competencies shown on Tiers 4 and 5 are referred to as Industry Competencies and are specific to an industry or industry sector. Industry-wide technical competencies cut across industry subsectors making it possible to create career lattices where a worker can move easily across industry subsectors. Rather than narrowly following a single occupational career ladder, this model supports the development of an agile workforce.

#### Occupation-Related Competencies

The competencies on Tiers 6, 7, 8, and 9 are referred to as Occupational Competencies. Occupational competency models are frequently developed to define performance in a workplace, to design competency-based curriculum, or to articulate the requirements for an occupational credential such as a license or certification.<sup>33</sup>

Figure 4-8 illustrates an example of a competency model for Solar Photovoltaic Installers who work in the renewable energy industry. The lower tiers, from personal effectiveness competencies through industry-sector technical competencies, apply to most jobs within the renewable energy industry. Hydroelectric production managers and wind engineers are examples of jobs within this industry. The top tiers, in this case, management competencies and occupation-specific competencies, apply to one or more, but not all, jobs within this industry. Figure 4-8 lists sample management competencies and occupation-specific competencies for the solar photovoltaic installer job.

#### Job design

Process of determining the specific tasks to be performed, the methods used in performing these tasks, and how the job relates to other work in an organization.

#### OBJECTIVE 4.15

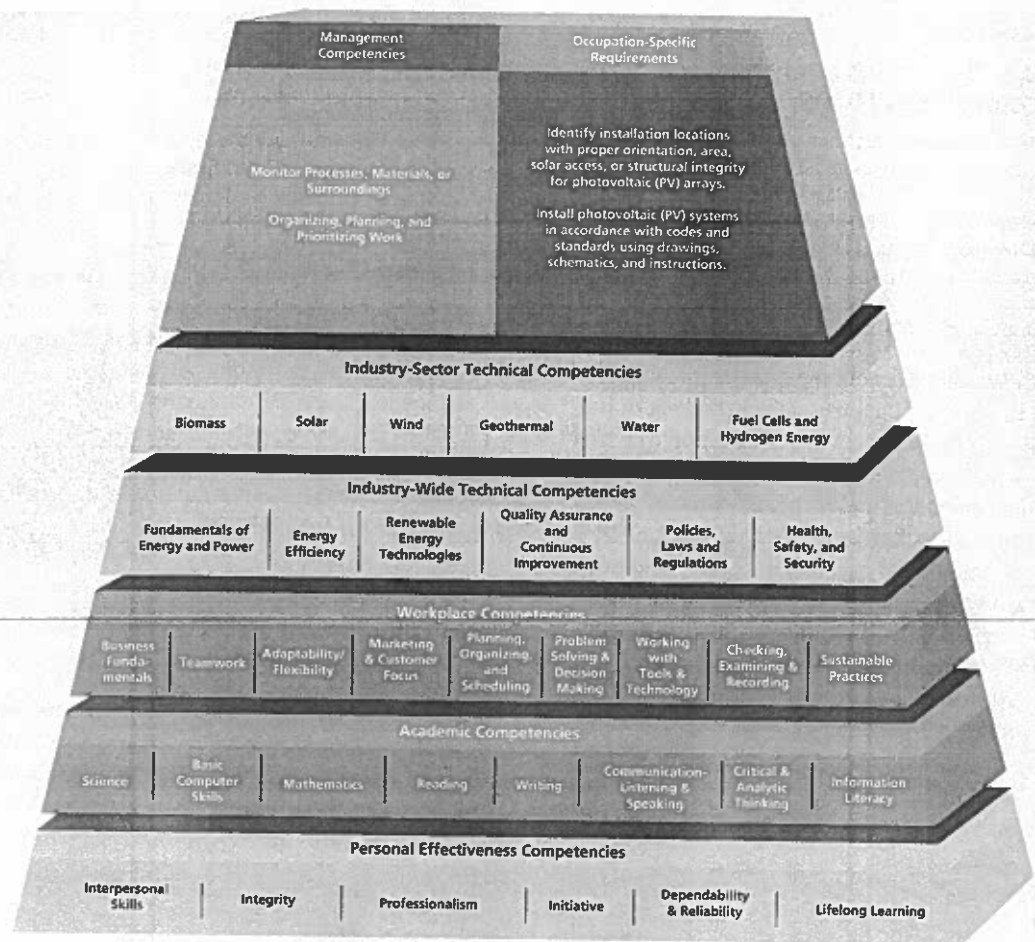
Summarize job design concepts.

### Job Design Concepts

We previously said that new jobs were being created at a rapid pace. If this is so, jobs have to be designed. **Job design** is the process of determining the specific tasks to be performed, the methods used in performing these tasks, and how the job relates to other work in the organization. Several concepts related to job design will be discussed next.

### FIGURE 4-8 Renewable Energy Industry Competency Model

Source: U.S. Department of Labor Employment and Training Administration, "Renewable Energy," *CareerOneStop* (2014). Accessed January 5, 2014, at <http://www.careeronestop.org/CompetencyModel/pyramid.aspx?RE=Y>.



#### job enrichment

Changes in the content and level of responsibility of a job so as to provide greater challenges to the worker.

#### job enlargement

Increasing the number of tasks a worker performs, with all of the tasks at the same level of responsibility.

#### job rotation

Moves workers from one job to another to broaden their experience.

### Job Enrichment

Strongly advocated by Frederick Herzberg, **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.

The worker has the opportunity to derive a feeling of achievement, recognition, responsibility, and personal growth in performing the job. Although job enrichment programs do not always achieve positive results, they have often brought about improvements in job performance and in the level of worker satisfaction in many organizations. Today, job enrichment is moving toward the team level, as more teams become autonomous, or self-managed.

### Job Enlargement

There is a clear distinction between job enrichment and job enlargement. **Job enlargement** is defined as increasing the number of tasks a worker performs, with all of the tasks at the same level of responsibility.

Job enlargement, sometimes called cross-training, involves providing greater variety to the worker. For example, instead of knowing how to operate only one machine, a person is taught to operate two or even three, but no higher level of responsibility is required. Workers with broad skills may become increasingly important as fewer workers are needed because of tight budgets. Some employers have found that providing job enlargement opportunities improves employee engagement and prevents stagnation.<sup>34</sup>

### Job Rotation

**Job rotation** (cross-training) moves employees from one job to another to broaden their experience. Higher-level tasks often require this breadth of knowledge. Rotational training programs help employees understand a variety of jobs and their interrelationships, thereby improving

productivity. Job rotation is often used by organizations to relieve boredom, stimulate better performance, reduce absenteeism, and provide additional flexibility in job assignments. Also if the task to be accomplished is boring or distasteful, job rotation means that one person will not be stuck with it for all times.<sup>35</sup> Individuals who know how to accomplish more than one task are more valuable both to themselves and to the firm. Staffing then becomes more flexible and these multiskilled workers are then more insulated from layoffs.<sup>36</sup> If job rotation is to be effective, management must be sure to provide sufficient training so that each individual in the rotation can perform the task in a similar manner.<sup>37</sup>

### Reengineering

#### reengineering

Fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical, contemporary measures of performance such as cost, quality, service, and speed.

**Reengineering** is “the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service, and speed.”<sup>38</sup>

Reengineering essentially involves the firm rethinking and redesigning its business system to become more competitive. It emphasizes the radical redesign of work in which companies organizes around process instead of by functional departments. Incremental change is not what is desired; instead, deep-seated changes are wanted that will alter entire operations at one time. Essentially, the firm must rethink and redesign its business system from the ground up.

Reengineering focuses on the overall aspects of job designs, organizational structures, and management systems. It stresses that work should be organized around outcomes as opposed to tasks or functions. Reengineering should never be confused with downsizing even though a workforce reduction often results from this strategy. Naturally, job design considerations are of paramount concern because as the process changes, so do essential elements of jobs. Through an initiative called Project Accelerate, Family Dollar reengineered its merchandising and supply chain processes to enable better performance by store teams. In doing so, it produced a new store layout that is easier and more convenient to shop.<sup>39</sup>

LG Electronics provides another example of how reengineering can work. LG management previously let each division deal with suppliers. That meant a procurement manager in Seoul did not know how much his counterpart at a flat-screen TV factory in Mexico paid for chips from the same company. Then Chief Executive Nam Yong decided to reengineer and rethink the company where managers seldom shared information. Today no one at LG can issue a purchase order without clearance from procurement engineering. By centralizing purchases, LG has cut more than \$2 billion from its annual \$30 billion purchases.<sup>40</sup>

#### OBJECTIVE 4.16

Describe the importance of global talent management.

#### talent management

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

## Global Talent Management

**Talent management** is a strategic endeavor to optimize the use of human capital, which enables an organization to drive short- and long-term results by building culture, engagement, capability, and capacity through integrated talent acquisition, development, and deployment processes that are aligned to business goals. Roger Cude, senior vice president of global talent management at Walmart Stores Inc., said through talent management, “Our leaders know what they’re getting reviewed on and how they’re getting calibrated on what’s important but also where the business is heading.”<sup>41</sup> Six key components of talent management include recruitment, compensation and rewards, performance management, succession management, engagement and retention, and leadership development.<sup>42</sup> Talent management attempts to ensure that the right person is in the right job at the right time. A fully integrated talent management system helps answer many questions that a CEO may ask, such as “Do I have the executive talent to lead an initiative?” or “How long before we have enough knowledge and skills within the organization for the initiative to take hold?” CEOs want assurance that they have the workers available to achieve their business goals, both now and in the future.<sup>43</sup> A recent study found that high-performing organizations tend to integrate talent management components more than low-performing organizations.<sup>44</sup> Companies such as GE, Unilever, PepsiCo, and Shell are known for their painstaking attention to talent management. But these companies are typically not the norm.<sup>45</sup>

Heath Williams, Plateau Systems’ vice president, international sales, said, “Good talent management systems start with careful analysis not just of HR functions, but of the organization itself, including existing processes, long and short-term goals, the organization’s competitive

position, culture and so on."<sup>46</sup> More and more companies are automating the talent management process into a single information system. At Chevron Corporation, Taryn Shawstad, general manager of global workforce development, works with a database of about 60,000 employees from approximately 180 countries. She says, "In the past, we were siloed by country. Now, instead of looking at the United States or Indonesia or Nigeria, we can look across the globe at job families, capabilities, supply, and demand."<sup>47</sup>

According to an Ernst & Young report "Managing Today's Global Workforce," top-quality talent management is strongly associated with improved business performance. Companies that aligned talent management programs with their business strategy produced a return on investment (ROI) that was approximately 20 percent higher over a five-year period than companies without such an orientation. Companies that combined certain key elements of talent management such as succession planning and recruiting saw even more dramatic results. The ROI over a five-year period averaged being 38 percent higher than those that failed to integrate those capabilities.<sup>48</sup> Also a recent report from Bersin & Associates found that organizations in the United States with a mature, integrated talent management strategy enjoyed 17 percent lower voluntary turnover, 26 percent higher revenue-per-employee, and better business stability.<sup>49</sup> Basically, talent management exists to support company objectives. In today's dynamic international environment, talent management provides HR with a significant and demanding challenge. As Vic Speers, director of talent management at Hudson, a provider of talent management services worldwide, says, "The second war for talent is brewing. Young and talented employees are increasingly rare and firms are faced with an aging population where more people retire every year than join the workforce."<sup>50</sup> Organizations are finding it increasingly difficult to recruit quality talent because competitors want these same individuals.

The successful firms in this dynamic global environment will be the ones that have been successful at talent management.<sup>51</sup> Much has changed in the world today, and firms that move beyond the traditional approach to talent management will have the advantage.

## Summary

1. **Describe the need for the human resource manager to be a strategic partner, explain the strategic planning process, and describe the human resource planning process.** If HR is to be a strategic partner, HR executives must work with top management in achieving concrete plans and results.

*Strategic planning* is the process by which top management determines overall organizational purposes and objectives and how they will be achieved.

Strategic planning at all levels of the organization can be divided into four steps: (1) determination of the organizational mission, (2) assessment of the organization and its environment, (3) setting of specific objectives or direction, and (4) determination of strategies to accomplish those objectives.

*Human resource planning* (sometimes called workforce planning) is the systematic process of matching the internal and external supply of people with job openings anticipated in the organization over a specified period of time.

2. **Describe forecasting human resource requirements and availability and how databases can assist in matching internal employees to positions.** A *requirements forecast* is an estimate of the numbers and kinds of employees the organization will need at future dates to realize its goals. Determining whether the firm will be able to secure employees with the necessary skills and from what sources these individuals may be obtained is called an *availability forecast*.

Databases are being used by organizations to enable human resources to match people with positions.

3. **Identify what a firm can do when either a shortage or a surplus of workers exists and explain strategic succession planning in today's environment.** When a shortage of workers exists, creative recruiting, compensation incentives, training programs, and different selection standards are possible. When a worker surplus exists, most companies look for alternatives to layoffs, but downsizing may ultimately be required.

*Succession planning* is the process of ensuring that qualified persons are available to assume key managerial positions once the positions are vacant.

4. **Explain why job analysis is a basic human resource tool, and give the reasons for conducting job analysis.** *Job analysis* is the systematic process of determining the skills, duties, and knowledge required for performing jobs in an organization. It is an essential and pervasive HR technique.

Without a properly conducted job analysis, it would be difficult, if not impossible, to satisfactorily perform the other HR-related functions.

5. **Describe the types of information required for job analysis and describe the various job analysis methods.** Work activities, worker-oriented activities, and the types of machines, tools, equipment, and work aids used in the job are important. This information is used to help determine the job skills needed. In addition, the job analyst looks at job-related tangibles and intangibles.

The job analyst may administer a structured questionnaire or witness the work being performed, or he or she may interview both the employee and the supervisor or ask them to describe their daily work activities in a diary or log. A combination of methods is often used.

6. **Describe the components of a job description.**

Components include the job identification section, which includes the job title, department, reporting relationship, and a job number or code; the job analysis date; the job summary; and the body of the job description that delineates the major duties to be performed.

7. **Explain Standard Occupational Classification (SOC), Occupational Information Network (O\*NET), job analysis for team members, and describe how job analysis helps satisfy various legal requirements.** The SOC's substantive structural changes are based on actual changes in the nature or organization of work activities being performed in the economy.

O\*NET, the Occupational Information Network, is a comprehensive, government-developed database of worker attributes and job characteristics.

In many firms today, people are being hired as team members. Whenever someone asks a team member,

"What is your job description?" the reply might well be "Whatever."

Legislation requiring thorough job analysis includes the following acts: Fair Labor Standards Act, Equal Pay Act, Civil Rights Act, Occupational Safety and Health Act, and the Americans with Disabilities Act (ADA)/ADA Amendments Act.

8. **Discuss the relevance of competencies and competency modeling.** The term *competency* has become an increasingly important topic in HR practice because of the changing nature of work. Competencies build on the use of knowledge, skills, and abilities, which we describe with job analysis, to describe work. 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 situation. A competency model specifies and defines all the competencies necessary for success in a group of jobs that are set within an industry context.

9. **Explain some job design concepts.** *Job design* is the process of determining the specific tasks to be performed, the methods used in performing the tasks, and how the job relates to other work in the organization. *Job enrichment* consists of basic changes in the content and level of responsibility of a job so as to provide greater challenge to the worker. *Job enlargement* is increasing the number of tasks a worker performs, with all of the tasks at the same level of responsibility. *Job rotation* (sometimes called cross-training) moves employees from one job to another to broaden their experience. *Reengineering* is the fundamental rethinking and radical redesign of business processes to achieve dramatic improvements in critical contemporary measures of performance, such as cost, quality, service, and speed.

10. **Describe the importance of global talent management.** *Talent management* is a strategic endeavor to optimize the use of human capital, which enables an organization to drive short- and long-term results by building culture, engagement, capability, and capacity through integrated talent acquisition, development, and deployment processes that are aligned to business goals.


## Key Terms

strategic planning	79	succession planning	90	competency modeling	100
mission	80	job analysis	91	job design	101
human resource planning	84	job	91	job enrichment	102
requirements forecast	84	position	91	job enlargement	102
availability forecast	84	job description	92	job rotation	102
zero-base forecast	86	job specification	92	talent management	103
bottom-up forecast	86	competencies	100	reengineering	103





## MyManagementLab®

Go to [mymanagementlab.com](http://mymanagementlab.com) to complete the problems marked with this icon .

### Exercises

- 4-1.** Prepare a job specification for each of the following jobs:
- social media recruiter
  - automobile mechanic for Lexus dealership
  - chef for an upscale restaurant
  - cook at Burger King
-  **4-2.** The section titled “Alternatives to Layoffs” suggests that layoffs should only be used as a last alternative. Do you agree that alternatives should only be used as a desperate measure? Be prepared to defend your decision.

### Questions for Review

- 4-3.** What are the steps involved in the strategic planning process?
- 4-4.** What are the steps involved in the HR planning process?
- 4-5.** What are the HR forecasting techniques?
- 4-6.** Distinguish between forecasting HR requirements and availability.
- 4-7.** What are the purposes of strategic planning?
-  **4-8.** What actions could a firm take if it forecasted a shortage of workers?
-  **4-9.** What are some alternatives to layoffs?
- 4-10.** Define succession planning. Why is it important?
- 4-11.** What is the distinction between a job and a position? Define job analysis.
- 4-12.** When is job analysis performed?
- 4-13.** What are the types of information required for job analysis?
- 4-14.** What are the methods used to conduct job analysis? Describe each type.
- 4-15.** What are the basic components of a job description? Briefly describe each.
- 4-16.** What is the purpose of the Standard Occupational Classification (SOC)?
- 4-17.** What is the purpose of the O\*NET, the Occupational Information Network?
-  **4-18.** What is meant by the statement “With team design, there are no narrow jobs”?
- 4-19.** Describe how effective job analysis can be used to satisfy each of the following statutes:
- Fair Labor Standards Act
  - Equal Pay Act
  - Civil Rights Act
  - Occupational Safety and Health Act
  - Americans with Disabilities Act (ADA)/ADA Amendments Act
- 4-20.** Why is competency modeling an important practice?
- 4-21.** Define each of the following:
- job design
  - job enrichment
  - job enlargement
  - job rotation
  - reengineering
-  **4-22.** Why is the use of *talent management* so important in today’s environment?

### INCIDENT 1 A Degree for Meter Readers

Judy Anderson was assigned as a recruiter for South Illinois Electric Company (SIE), a small supplier of natural gas and electricity for Cairo, Illinois, and the surrounding area. The company had been expanding rapidly, and this growth was expected to continue. In January 2014, SIE purchased the utilities system serving neighboring Mitchell County. This expansion concerned Judy. The company workforce had increased by 30 percent the previous year, and Judy had struggled to recruit enough qualified job applicants. She knew that new expansion would intensify the problem.

Judy was particularly concerned about meter readers. The tasks required in meter reading are relatively simple. A person drives to homes

served by the company, finds the gas or electric meter, and electronically records its current reading. If the meter has been tampered with, it is reported. Otherwise, no decision making of any consequence is associated with the job. The reader performs no calculations. The pay was \$10.00 per hour, high for unskilled work in the area. Even so, Judy had been having considerable difficulty keeping the 37 meter reader positions filled.

Judy was thinking about how to attract more job applicants when she received a call from the HR director, Sam McCord. “Judy,” Sam said, “I’m unhappy with the job specification calling for only a high school education for meter readers. In planning for the future, we

need better-educated people in the company. I've decided to change the education requirement for the meter reader job from a high school diploma to a college degree."

"But, Mr. McCord," protested Judy, "the company is growing rapidly. If we are to have enough people to fill those jobs we just can't insist that college graduates get paid to do such basic tasks. I don't see how we can meet our future needs for this job with such an unrealistic job qualification."

Sam terminated the conversation abruptly by saying, "No, I don't agree. We need to upgrade all the people in our organization. This is just part of a general effort to do that. Anyway, I cleared this with the president before I decided to do it."

### Questions

- 4-23. Should there be a minimum education requirement for the meter reader job? Discuss.
- 4-24. What is your opinion of Sam's effort to upgrade the people in the organization?
- 4-25. What legal ramifications, if any, should Sam have considered?
- 4-26. Based on the information provided in this incident, what tasks would likely be included in the "Duties Performed" section? How would this affect the job specification section?

## INCIDENT 2 Strategic HR?

Brian Charles, the vice president of marketing for Sharpco Manufacturing, commented at the weekly executive directors' meeting, "I have good news. We can get the large contract with Medord Corporation. All we have to do is complete the project in one year instead of two. I told them we could do it."

Charmagne Powell, vice president of HR, brought Brian back to reality by reminding him, "Remember the strategic plan we were involved in developing and we all agreed to? Our present workers do not have the expertise required to produce the quality that Medord's particular specifications require. Under the two-year project timetable, we planned to retrain our present workers gradually. With this new time schedule, we will have to go into the job market and recruit workers who are already experienced in this process. We all need to study

your proposal further. HR costs will rise considerably if we attempt to complete the project in one year instead of two. Sure, Brian, we can do it, but with these constraints, will the project be cost effective?"

### Questions

- 4-27. Was Charmagne considering the strategic nature of HR planning when she challenged Brian's "good news" forecast? Discuss.
- 4-28. How did the involvement in developing the corporate strategic plan assist Charmagne in challenging Brian?
- 4-29. Strategic planning at all levels of the organization can be divided into four steps. Which step in the strategic planning process did Brian violate?

## MyManagementLab®

Go to [mymanagementlab.com](http://mymanagementlab.com) for Auto-graded writing questions as well as the following Assisted-graded writing questions:

- 4-30. Why is job analysis considered to be a basic HR tool?
- 4-31. Why does the HR manager need to be a strategic partner with top management?

## Endnotes

Scan for Endnotes or go to <http://www.pearsonhighered.com/mondy>

