It wasn’t raining when Noah started the ark....

Overview

Company Strategy

(A) What do we need?  (B) What do we have?

Yet Again

• Competitive strategies
  – Cost leadership
  – Focused cost leadership
  – Differentiation
  – Focused differentiation

Overview

Company Strategy

Job Analysis

(A) What do we need?  (B) What do we have?

A = B
A < B
A > B

Overview

Company Strategy

Ratio Analysis

Job Analysis

(A) What do we need?  (B) What do we have?

A = B
A < B
A > B

Overview

Company Strategy

Trend Analysis

A = B
A < B
A > B

HR Planning

February 15, 2010
Ratio Analysis

- Examples
- Key employee group
  - Determined by ....................
- Marsh & McLennan = estimated consulting revenue

MMC

- $500,000 revenue per consultant
- Estimated $100,000,000 for FY11
- Need ????? Consultants
- Extend –for every 10 consultants
  - 2 administrative staff members
  - 1 technician

Trend Analysis

- Past predicts the future
- Problems????
- Conclusion:
  - Big overview
  - Rarely used by itself

Judgmental Techniques

- Bottom-up/top-down
- Delphi technique

Forecasting Internal Supply

- Skills inventory
  - HRIS
  - Computerized database mgt system
  - Cross-checking
  - Modules
  - Query programs
  - Self-serve interfaces
ERP

- SAP
- PeopleSoft
- Oracle

Forecasting External Supply

- Civilian labor force – 154,000,000
- Unemployed
  - U3
- Discouraged workers – 1,065,000
- Labor force participation rate
  - 76% male
  - 61% female
- Loose vs. tight labor mkt

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Unemployment 2008

U6 Unemployed

United States - Unemployment Rate (1980 - 2008)

- Estimated % Unemployment
- % Unemployment

Unemployment 2008

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Labor Force Participation Rate

Participation Rate by Gender

Reconciling S and D
- \( S = D \)
  - Skill mix

Options for Avoiding a Shortage
- Overtime
- Temporary employees
- Outsourcing
- Retrained transfers
- Turnover reductions
- New external hires
- Technological innovation
Options for Reducing a Surplus

- Downsizing
- Pay reductions
- Demotions
- Transfers
- Work sharing
- Hiring freeze
- Natural attrition
- Early retirement
- Retraining

Surplus

- RIF policy
- EEO concerns
- WARN
- Outplacement and counseling
- Care for survivors

<table>
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<tr>
<th>OPTIONS FOR REDUCING A SURPLUS</th>
<th>SPEED OF RESULTS</th>
<th>AMOUNT OF SUFFERING CAUSED</th>
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