

3. Sourcing and Staffing

3A. Manpower Planning

3A.1 Understand the organization's business strategy and HR needs

Manpower planning means human resource planning. It is a process where human capital requirements are identified and plans are then made to meeting those requirements, to achieve the organization's strategic goals.

HR Managers should understand the business strategies before any effective manpower planning can be done. How can you do that? You can start to understand the business your company is in through the following analysis:

- ✦ who are your customers? what do they look for from your company?
- ✦ who are the competitors? what are they good at?
- ✦ what are the foreseeable changes in your industry? changes in the market?
- ✦ what are your company's plan for the next year? the next 3-5 years?

With the above information, you will then know the human resource required to fulfill these business needs, in terms of:

- ✦ what skills will be needed?
- ✦ any new skills to be acquired? is training a solution?
- ✦ any existing skills may become obsolete?
- ✦ what work experience will be needed?
- ✦ will new staff be needed? how many? when?
- ✦ when are your experienced employees retiring?

Effective manpower planning will:

- ✦ minimize manpower and skills shortages
- ✦ lay the groundwork for succession planning
- ✦ shape the optimum future workforce by having the right people, for the right jobs and at the right time.

If new staff is needed, you will need to conduct a job analysis for the new vacancies.

3A.2 Job analysis for new vacancies

Job analysis is an in-depth study of a job. It is a systematic investigation of the tasks, duties and responsibilities of a job and the necessary skills and capabilities that a person needs to perform the job adequately. In doing the analysis, you or an employee will gather information about jobs through interviewing employees, observing performance of certain tasks, asking employees to fill out questionnaires and worksheets. It provides information for job descriptions.

Here are the 5-steps to conduct a job analysis:

a. Review current workforce

You should know the business needs in terms of its growth areas and business focus and assess the availability and capability of internal resource to meet those needs. Consider how your current workforce can be reorganized to meet the new business needs while spotting new skills and knowledge required from the business plan.

b. Identify skills and knowledge gaps

Identify any shortages in terms of skills and capabilities in meeting the business objectives.

c. Write a job description

Job descriptions describe the scope of work which employers use, to communicate their expectations with the job holders. A well put together job description is a good business investment because it can be used to facilitate most HR activities: recruitment, selection, orientation, training, work plans, performance reviews and compensation. Job descriptions explain the key responsibilities of the actual position, reporting relationships and work environment.

Job descriptions normally contain:

i. Duties and responsibilities

A job description should specify as clearly as possible the responsibilities, tasks and duties of the job by specifying:

- the responsibilities to avoid clashes over authority
- the position within the organizational structure of the company
- the tasks and duties of the job holder
- special physical requirements of the position.

ii. Performance expectation

There should be a section within the job description specifying the end-results expected of the job holder. This can be in both quantitative and qualitative terms. For example: process 10 transactions per hour, achieve sales targets/turnover of..., achieve cost savings by..., achieve process improvements and turnaround times by ...etc. The achievement of these end-results is normally documented and tracked via the performance management system.

iii. Technical competencies

These include technical knowledge and skills specific to a particular task that is usually developed through in-house or professional training. For example, “knowledge of banking law” and “bank notes countering methods” are examples of technical competencies in banking industry.

iv. General competencies

This refers to knowledge, skills, abilities, and on-the-job behaviors that can be applied across different jobs, organizations, and industries. For example, “communication” and “relationship building” are general behavioral competencies that can be gained through general education or work experience.

v. Personal competencies

This refers to the personal attributes required of the job holder for effective performance. For example, drive, motivation, self-discipline, initiative and willingness to take on new challenges etc. Personal competencies are vital when seeking a person who will fit in with the culture of the company. If the company is dynamic and fast-paced, you will want to recruit a person who is energetic and enthusiastic.

Step-by-step approach

When putting together a job description, the following can be taken into consideration:

i. **Job Purpose** - why this job exists in the organization? What is the job's contribution to the organization?

ii. **Critical Success Factors** - describe the key factors required to make the job functions effectively in the work unit

iii. **Accountabilities** - state the end results or key outputs of the job

iv. **Decision Making** - list major decisions that the job holder will need to make independently and those that will make with others

v. **External Contacts** - could be joint venture partners, customers or government agencies, whom the job holder works with outside the organization. State the nature of relationship with the external contact

vi. **Dimensions** - state the significant quantifiable criteria on which the job has direct or indirect impact eg. annual budgeted expenses, operating costs, project costs, number of persons reporting to the job holder

vii. **Organizational Relationships** - indicate the reporting relationship of this position in the organization – manager/supervisor, peers within the team and other departments of which this position will interact with, and subordinates

d. Develop the job specification

Once you have laid down the job description, you are ready to define the job specification. A job specification describes the knowledge, skills, education, experience, and capabilities you believe are essential to performing the particular job. Job specification normally consists of the following information:

- ❖ Experience
- ❖ Education
- ❖ Required job skills, knowledge and personal characteristics
- ❖ Job requirements

e. Set salary

There are two approaches to setting salaries in an organization:

- ❖ **Market-Driven approach**
This entails tracking market changes. Pay levels can go up and down substantially due to external reasons, such as demands and skills shortages.
- ❖ **Job-Worth approach**
Each job has a worth as determined by a job evaluation process. The criteria considered include, for example: skills required, knowledge required, number of subordinates managed, size of assets managed and etc.

The following table demonstrates the difference between Market-Driven Approach and Job-Worth Approach:

	Market-Driven	Job-Worth
Priority	External market condition	Internal equity
Advantage	Reflect how the market pays the position	Maintain internal equity and staff morale
Disadvantage	Rely on market information heavily and market data may not be available for some jobs	Less flexible and may not be responsive to market changes
Suitable organization	Organizations with high staff turnover and numerous external hires	Seniority-driven organizations with long-service employees

While adopting the Market-Driven Approach, many companies will benchmark their pay level against the market's. Benchmarking is used to provide data for setting pay levels to attract and retain employees and for developing equitable and competitive pay structures.

This can be a one-off exercise but usually it is a continuous process. It is a collection and analysis of comparative information on competitors' reward practices as a means of assessing own areas for change and improvement.

There are a few approaches to benchmarking:

- ❖ Collect information through research data that are available from public domain, eg. through other companies' job advertisements, from interview reports, etc
- ❖ Engage consulting firms to carry out benchmarking exercise or to purchase market pay surveys Conduct in-house company surveys

Whilst, a lot of companies do not have the resource to conduct in-house company surveys, the Hong Kong Institute of Human Resource Management <http://www.hkihrm.org/> conducts a Hong Kong Pay Trend and Pay Level Survey every year since 1980s. The survey provides valuable pay level data which is a source of important reference to corporations in Hong Kong in making pay-related decisions.

3A.3 Make (succession plan) or Buy (recruit from external)?

Succession planning is a process whereby a company ensures that employees are recruited and developed to fill the key roles within the company. Through succession planning process, you recruit high-performing employees, develop their knowledge, skills, and capabilities, and prepare them for advancement or promotion into even more challenging roles in 3-5 years' time.

Companies that do not implement succession planning have the option to buy or recruit the required resource from the market.

a. Succession Planning

To develop the employees you need for your succession plan, you assign them onto special projects, team leadership roles, lateral movement and both internal and external training and development opportunities.

Through your succession planning process, you will retain high-performing employees because they appreciate the time, attention, and development that you are investing in them. Employees are motivated and engaged when they can see a career path for their continued growth and development.

As much efforts and supports will be required for undertaking succession planning, hence it is normally confined to the most key and critical positions in the organization.

The succession plan should identify:

- ✦ key positions, its key roles and contributions to the organization
- ✦ key success factors of key positions: skills, knowledge, capabilities and competencies
- ✦ causes of turnover
- ✦ potential successor identification
- ✦ development plans for potential successor to reach the required success factors
- ✦ contingent plans for which no apparent internal successor identified

The information derived from the succession plan should feed into the training and development of the individuals concerned by ensuring that they attend the necessary training and are posted to jobs that will provide them with the experience for their intended role.

b. Recruit from external

Buying or recruiting resource from the market is suitable for meeting the company's short-term staffing needs and is more appropriate for the junior to middle level positions.

Recruiting from external can help bring in new skills and new experience to the company. Sources of supply can be from a combination of full-time/part-time employees, recruitment agencies' temporary workers and contract workers.