

Forecasting demand for human resources

Business, Human Resources



Finally, in Phase 4, the human resources planner considers what actions, if any, are warranted to address the projected imbalances between labor demand and supply. In this context, the full repertoire of human resources management policies and programs can be called on. The planner looks at the costs and likely benefits of various possible courses of action to help guide the decision-making process (Clardy, 1996, p. 22). More succinctly, Cascio (2003) summarized these four phases as: 1. Situation analysis or environmental scanning. 2.

Forecasting demand for human resources. 3. Analysis of the supply of human resources. 4. Development of plans for action (p. 177). The fact that employees (or human resources) today can be a competitive advantage has led to the development of this new field known as Strategic Human Resources management (SHRM). Strategic human resources management has been defined as “ the linking of HRM with strategic goals and objectives in order to improve business performance and develop organizational cultures that foster innovation and flexibility (Truss and Gratton, 1994, p. 663).

Put another way, it is “ the pattern of planned human resource deployments and activities intended to enable an organization to achieve its goals” (Wright and McMahan, 1992, p. 292). Strategic human resources management means accepting the HRM function as a strategic partner in both formulation of the organization’s strategies and implementation of those strategies through HRM activities such as recruiting, selecting, training, and rewarding personnel.

As companies venture in global environment in the Information Age, organizations like McDonald's try to achieve competitive advantages for each business they are in. A competitive advantage can be defined as any factor that allows an organization to differentiate its product and service from those of its competitors to increase market share. Organizations can accomplish this aim in one of two ways: through cost leadership or differentiation. With cost leadership, an organization provides the same services or products as its competitors, but produces them at a lower cost. Maple Leaf case study

By doing so, the organization earns a better return on its investment in capital and human resources (Sims, 2002, p. 24). In an article entitled McDonald's Serves up HR Excellence, it claimed the chain excels at pulling potential employees into its company: As such, one-eighth of the American work force has, at some point, worked in a McDonald's branch. This fact alone speaks volumes on McDonald's HR, as if quick-service food chains make for easy recruiting. Still, employees have several good reasons to crown McDonald's their employer of choice.

Flynn (1996, p. 55) enumerated their HRP strategies:

1.) Intense training efforts – McDonald's surpasses even the U. S. Army as the nation's largest training organization--the company gives employees ample means for self-advancement. Education is everywhere at McDonald's. The company offers beginners orientation through its Crew Training Program, and a Management Development Program takes up where the Crew Training leaves off, developing a cadre of leaders for the future.

2.) Top-of-the-line training at the Hamburger University home campus -

Based at the company's headquarters in Oak Brook, Illinois, the Hamburger University has resident professors that serve up a variety of management and restaurant operations courses to McDonald's owner/operators and management employees from around the world. Accredited by the American Council on Education, Hamburger University has graduated more than 50,000 McDonald's management employees. It's no easy task, when students often herald from dozens of countries.

To keep them all on equal footing, the HU classrooms resemble a United Nations assembly. With the help of translators and electronic equipment, professors teach and communicate in 20 languages. In a nutshell, McDonald's basic HR philosophy works in most operations with some modification. For example, no matter what country; when the company opens a new store, it usually holds employee rallies, which have been well-received across the board. Another multinational hotel chain maintains progressive human resources planning in their recruitment principles.

Marriot Hotels list five principles as their secret to success:

1.) Get It Right the First Time. Marriott “ hires friendly” and “ trains technical. ” It's better to hire people with “ the spirit to serve” and train them to work than hire people who know business and try to teach them to enjoy serving guests. Marriott hires cooks who love to cook and housekeepers who love to clean. They have learned that this approach works both for delivering excellent service and for retaining their employees.

2.) Money Isn't Always a Big Thing.

The top concern of Marriott associates is total compensation. But intangible factors taken together, such as work-life balance, leadership quality, opportunity for advancement, work environment, and training, far outweigh money in their decisions to stay or leave. Pay matters less and the other factors matter more the longer someone works for Marriott.

3.) A Caring Workplace Is a Bottom-Line Issue. When employees come to work, they feel safe, secure, and welcome. Committed associates are less likely to leave.

And associate work commitment is one of the key drivers of guest satisfaction. Managers are accountable for associate satisfaction ratings and for turnover rates. Every day, associates in each of Marriott's full service hotels participate in a fifteen-minute meeting to review basic values such as respect.

4.) Promote from Within. More than 50 percent of Marriott's current managers have been promoted from within. All associates are given the opportunity to advance as far as their abilities will carry them.

Elevating veterans to positions of leadership helps Marriott pass on the soul of its business—its corporate culture—from one generation to the next.

5. Build the Employment Brand. Marriott attracts employees the same way it attracts customers. Just as consumers buy experiences, not just products, potential employees are looking for a great work experience when they shop

for jobs. For Marriot employees, communicating the promise of a great work experience is what employment branding is all about. According to CEO J. W. Marriott, “ For more than 70 years, we've lived by a simple motto: If we take care of our associates they'll take care of our guests. That isn't just a sentiment. It's a strategy—one all businesses must adopt to remain competitive in an environment where our most valuable resource, human capital, drives economic value for our company” (Marriot, April/May 2001). Organizational success requires today’s managers, like what McDonald’s and Marriot Hotels are implementing in their human resources plans.

Increasingly, their plans focus more in engaging in three levels of strategic decision making: corporate, business, and functional. Each of these strategies in turn has an impact on the HRM function and thus results in the need for a strategic approach to HRM. This is why HRM managers need to work with other top managers to formulate company strategy as well as execute it. In serving in their role as strategic partners, these managers must understand the actions they must take to link HRP to the organization’s overall strategic plans.

This why strategic planning by an organization could leads to informed, purposeful actions, like what the examples of McDonald’s and Marriot Corporations have attained. By articulating a clear common vision of why the organization exists, now and in the future, a strategic plan provides direction and a cornerstone for making important HRM decisions. In planning HRM activities, the organization could expand the awareness of possibilities, identifies strengths and weaknesses, reveals opportunities, and points to the

need to evaluate the probable impact of internal and external forces that could affect their organization as a whole.

Works Cited

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