

Name _____ Class _____ Date _____
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chapter 2

Indicate whether the statement is true or false.

1. SWOT analysis includes the strengths only for strategy formulation purposes.
 - a. True
 - b. False
2. Markov analysis focuses on the number of employees in particular jobs and their skill levels, compensation, and job tenure.
 - a. True
 - b. False
3. Attrition is the fastest way to achieve workforce reduction.
 - a. True
 - b. False
4. Attrition and early retirement are means for organizations to reduce excess labour.
 - a. True
 - b. False
5. External supply of labour is central to strategic planning.
 - a. True
 - b. False
6. In unionized firms, layoffs are typically based on performance.
 - a. True
 - b. False
7. Replacement charts are listings of current jobholders who are potential replacements if an opening occurs.
 - a. True
 - b. False
8. A cultural audit asks questions such as “How do employees spend their time?”
 - a. True
 - b. False
9. The mission statement of an organization is a description of the organization’s vision and values.
 - a. True
 - b. False
10. Severance pay is a lump-sum payment given to terminated employees.
 - a. True
 - b. False
11. Over time, organizations may try to reduce their workforce by relying on attrition.
 - a. True

chapter 2

b. False

12. Benchmarking is the process of comparing the organization's processes and practices with those of other companies.

a. True

b. False

13. Trend analysis is a qualitative approach to labour demand forecasting.

a. True

b. False

14. Nearly one-fifth of the workforce is made up of part-time, temporary, and self-employed workers.

a. True

b. False

15. HR planning is the process of setting major organizational objectives and developing comprehensive plans to achieve those objectives.

a. True

b. False

16. The use of part-time employees creates a problem of labour costs at fast-food restaurants.

a. True

b. False

17. Succession planning is the process of identifying, developing, and tracking key individuals so that they may eventually assume top-level positions.

a. True

b. False

18. Staffing tables provide data on external labour supply sources.

a. True

b. False

19. Environmental scanning involves the systematic monitoring of internal factors influencing the organization.

a. True

b. False

20. Core capabilities are integrated skills and knowledge sets within an organization that distinguish it from its competitors and deliver value to customers.

a. True

b. False

21. Strategic plans have a strong external orientation that covers major portions of the organization, focusing mainly on how the organization will position itself globally.

a. True

b. False

chapter 2

22. Trend analysis relies on a single business factor.

- a. True
- b. False

23. Core capabilities provide a long-term basis for technological innovation, product development, and service delivery.

- a. True
- b. False

24. Forecasting may be as informal as having one person familiar with the organization anticipate HR needs.

- a. True
- b. False

25. National and regional unemployment rates are often considered a general barometer of labour supply.

- a. True
- b. False

26. Organizational core values are the strong enduring beliefs and principles that a company uses as a foundation for its decisions.

- a. True
- b. False

27. The stages of HR activity associated with a merger are (1) precombination, (2) combination, and (3) solidification and assessment.

- a. True
- b. False

28. In general, contract labour possesses skills and knowledge of less strategic value to the organization than core knowledge workers.

- a. True
- b. False

29. A cultural audit asks questions such as “What is the ethnic make-up of my workforce?”

- a. True
- b. False

30. Management forecasts are quantitative measurements of future employment needs.

- a. True
- b. False

31. Human resources planning (HRP) is the conducting of recruitment and selection methods according to a strategic plan.

- a. True
- b. False

32. The number of hours that Canadians work per week has been trending downward and now hovers around 33 hours a week.

chapter 2

- a. True
- b. False

33. A cultural audit may examine how people are empowered.

- a. True
- b. False

34. The Delphi technique works best in organizations where dynamic technological changes affect staffing levels.

- a. True
- b. False

35. Decisions about employee layoffs are usually based on seniority and/or performance.

- a. True
- b. False

36. Under the umbrella of layoff strategies are several work reduction options: reduced workweek, reduced shifts, transfers to related companies, and so on.

- a. True
- b. False

37. Increased emphasis on HR issues becomes especially critical when organizations consider global strategies, relocation of plants, product innovation plans, and so forth.

- a. True
- b. False

38. Human Resources and Skills Development Canada (HRSDC) analyzes labour markets to determine the supply and demand for labour.

- a. True
- b. False

39. Markov analysis is a systematic monitoring of the major external forces influencing an organization.

- a. True
- b. False

40. There are two approaches to HR forecasting: quantitative and qualitative.

- a. True
- b. False

41. Internal analysis provides strategic decision makers with an inventory of organizational skills and resources.

- a. True
- b. False

42. Internal fit (or alignment) means that HR practices are aligned with one another in a mutually reinforcing configuration.

- a. True

chapter 2

b. False

43. Through human resources planning, organizations strive for a proper balance between demand considerations and supply considerations.

a. True

b. False

44. Organizations such as Canadian Tire and CIBC conduct cultural audits to examine the attitudes and activities of the external workforce.

a. True

b. False

45. Economic factors in environmental scanning include general and global conditions.

a. True

b. False

46. Human resources planning plays a key role in organizational strategy implementation because organizational leaders must make decisions regarding resource allocations to human capital, among other things.

a. True

b. False

47. A disadvantage of overemphasizing seniority is that less competent employees receive the same rewards and security as more competent employees.

a. True

b. False

48. Value creation is what the firm adds to a product or service by virtue of making it; it's the amount of benefits provided by the product or service once the costs of making it are subtracted.

a. True

b. False

Indicate the answer choice that best completes the statement or answers the question.

49. Severance pay is usually calculated based on which of the following?

- a. the employee's years of service and salary
- b. complex formulas administered by the federal government
- c. the employee's skills and abilities
- d. the employee's education and performance

50. In what way can HR best help ensure that a strategic alliance or joint venture goes smoothly in the beginning?

- a. plan labour supply needs for both organizations
- b. systematically monitor employee morale for both organizations
- c. teach employees about the other organization
- d. assess the compatibility of the two organizational cultures

chapter 2

51. Which of the following best captures the strategic intent of the organization?

- a. its mission
- b. its vision
- c. its core values
- d. its strategic human resource plan

52. Smith Frozen Foods performs a yearly employee survey to assess how its employees feel about safety on the job, the comfort of the working conditions, and their general level of satisfaction with their work, managers, and coworkers. What is Smith Frozen Foods most likely performing?

- a. a job satisfaction survey
- b. an environmental analysis
- c. a cultural audit
- d. an engagement measure

53. As part of the strategic planning process, XYZ Inc. recently examined the attitudes and activities of the company's workforce. What was XYZ doing?

- a. an environmental scan
- b. a cultural audit
- c. a trend analysis
- d. a demand forecast

54. Which term refers to an enthusiastically adopted tool for mapping a firm's strategy in order to ensure strategic alignment?

- a. target forecasting
- b. predicted focus
- c. balanced scorecard
- d. replacement selection

55. Kappa Technology is a firm in the high-technology sector. It needs to hire individuals with very specific knowledge and abilities, and it needs to do so quickly. Which aspect of employee forecasting will be most important for this company?

- a. skills inventories
- b. staffing tables
- c. Markov analysis
- d. succession planning

56. An organization states that teamwork and working together are important in its strategy but gives bonuses to individuals who excel independently. What is this an example of?

- a. a misalignment of internal fit
- b. a misalignment of external fit
- c. a misalignment of internal and external strategy
- d. a misalignment of strategy and HR

57. Which of the following is a method for measuring a firm's strategic alignment?

- a. Markov analysis

chapter 2

- b. a balanced scorecard
- c. benchmarking
- d. an HR “dashboard”

58. An organizations’ core capabilities consist of three components. Which of the following is NOT one of them?

- a. processes
- b. systems
- c. people
- d. cultural audit

59. What is an HR “dashboard”?

- a. a strategic tool developed by the Boston Consulting Group
- b. a SWOT analysis at the HR level
- c. a balanced scorecard
- d. a software that tracks and graphically displays HR statistics so they can be viewed by managers at a glance

60. HR planning requires HR managers to focus more on an alignment between HR plans and which of the following?

- a. the organization’s financial strategy
- b. the organization’s marketing position
- c. the organization’s strategic plan
- d. the competitive environment

61. What do we call the internal alignment of HR practices to establish a configuration that is mutually enforcing?

- a. vertical fit
- b. horizontal fit
- c. HR alignment
- d. enforcing fit

Scenario 2.1

Blockbuster Canada was the first of its kind in Canada in the movie and games rental business and operated for more than 21 years. However, with the advent of more modern technology accessible mainly through Netflix and Rogers On Demand, Blockbuster struggled to stay relevant in a tech-savvy environment where videos and games could now be rented conveniently from the comfort of one’s couch via computer or TV. Despite efforts to try to stay relevant, Blockbuster did not leverage technology that had become an important part of their consumer base’s daily lives. As a result, Blockbuster was not able to fight off the competition.

62. Refer to Scenario 2.1. To remain competitive, Blockbuster Canada needed to systematically monitor the major external forces influencing the movie/game rental business. Which of the following would be important to its success?

- a. analysis of the internal environment
- b. environmental scanning
- c. changes in demographics
- d. changes in its mission, vision, and values

63. Which of the following best describes the core values of a company?

chapter 2

- a. They represent the alignment of the strategic plan with the human resource plan.
 - b. They are strong enduring beliefs and principles of the company.
 - c. They are the basic purpose of the organization.
 - d. They provide a perspective on where the company is headed.
64. ATM Company has experienced a recent growth in its business. Which of the following is NOT a likely response to its new HR demands?
- a. Hire full-time employees
 - b. Ask employees to work over-time
 - c. Allow for attrition
 - d. Use contract workers
65. What is the difference between trend analysis and management forecasts?
- a. Trend analysis is used to analyze the business environment and management forecasts predict labour needs.
 - b. Trend analysis uses organizational indexes and management forecasts utilize statistical techniques.
 - c. Trend analysis is quantitative and management forecasts are qualitative.
 - d. Trend analysis has proven success and management forecasts have major shortcomings.
66. Organization Z is planning its future. In the process, the firm is making decisions such as what type of market it wants to be the leader in and what path to take to achieve this goal. What is Organization Z doing?
- a. strategic planning
 - b. human resources planning
 - c. performing a Markov analysis
 - d. applying principles of strategic human resources management
67. Manning Logistics laid off nine employees from data-entry positions in its finance division. Two weeks later, it hired 15 employees into data-entry positions in the inventory division. What mistake has the company committed?
- a. faulty cultural audit
 - b. not forecasting properly
 - c. faulty goal alignment
 - d. not analyzing the internal labour force
68. On the entrance to Mac Pencils' factory are the words "to provide the world with high-quality and dependable pencils." What is this an example of?
- a. strategic vision
 - b. mission
 - c. core values
 - d. core resources
69. Which of the following is an important use of the balanced scorecard?
- a. to help balance internal and external fit
 - b. to help managers translate their firms' strategic goals into operational objectives
 - c. to help managers balance the costs and benefits of HR strategies
 - d. to help with the SWOY analysis

chapter 2

70. Which of the following is a graphical representation of all organizational jobs along with the numbers of employees currently occupying those jobs and future employment requirements?

- a. a Markov analysis
- b. a trend analysis
- c. a skills inventory
- d. a staffing table

71. What is the first step in the strategic planning process?

- a. putting together the human resource management team
- b. executing the human resource plan
- c. establishing the mission, vision, and values of the organization
- d. aligning the human resource plan and the strategic plan

72. As part of the SWOT analysis, the internal analyses of the firm would include an analysis of which of the following?

- a. opportunities
- b. strategy
- c. threats
- d. weaknesses

73. What is the most important information obtained from a Markov analysis?

- a. human capital readiness
- b. what types of attitudes employees have
- c. what positions are going to be coming open and will require a new hire
- d. how many individuals are ready for promotion

74. Which of the following is NOT a qualitative approach to demand forecasting?

- a. trend analysis
- b. Delphi technique
- c. soliciting expert opinion
- d. management forecast

Scenario 2.1

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75. Refer to Scenario 2.1. Blockbuster's competitive environment includes which of the following?

- a. its customers, HR strategy, new entrants, core capabilities
- b. its environmental scanning and analysis
- c. its environmental analysis, strategic planning, and HR strategy

chapter 2

- d. its customers, rival firms, new entrants, substitutes, and suppliers

76. Which of the following deliberations on the competitive environment generally involves an active role by HR managers?

- a. an analysis of new entrants
- b. an analysis of the supply and demand for labour
- c. coordination with suppliers
- d. minimizing the technical advantages of rival firms

77. During its strategic retreat, the top management team at IAMME Gold Corporation pondered on the question “What’s the organization reason for being?” What was the team most likely focusing on?

- a. the firm’s strategic vision
- b. the firm’s core values
- c. the firm’s mission
- d. the firm’s competitive position

78. Which of the following should you take into account when forecasting demand?

- a. absenteeism
- b. turnover
- c. business cycles
- d. labour mobility

79. Which of the following is NOT generally considered a component of a firm’s competitive environment?

- a. rival firms
- b. new entrants
- c. labour laws
- d. suppliers

80. Which statement best describes the skills of core employees?

- a. Their skills are not directly related to company strategy.
- b. They have firm-specific skills directly related to company strategy.
- c. They have skills that are valuable but not unique.
- d. Their skills are available to all firms.

81. Which of the following best describes forecasting human resources needs?

- a. It is scientific and relatively error-free.
- b. It is difficult and should only be done on rare occasions.
- c. It should rely strictly on quantitative approaches, which utilize sophisticated analytical models.
- d. It estimates the number and type of people that are needed to meet organizational objectives.

Scenario 2.2

Avie Products Inc. is planning to add a third shift to its production schedule. It currently has 450 workers involved in all aspects of its fertilizer business, best done in Canada. A recent surge in demand from its global customers is driving the need for more workers; however, Simi Meher, the CEO, is concerned that the surge may be temporary, especially in light

chapter 2

of the recent economic downturns in the global environment where Avie does business.

82. Refer to Scenario 2.2. What would assist Avie in determining how many additional workers it would need for the third shift?

- a. reconciling supply and demand
- b. Markov analysis
- c. replacement charting
- d. trend analysis

83. Kramer Athletic Equipment is planning the future of the organization. In this process, the firm is making decisions such as whether to maintain its current path as industry leader in the running shoe business, or branch out to include casual footwear. In addition, the company is also discussing the various needs it will have for new staff if it does choose to go in a new direction. What is Kramer Athletic Equipment doing?

- a. strategic planning
- b. human resources planning
- c. applying principles of strategic human resources management
- d. planning both its business needs and its HR needs

84. What do we consider the firm's resources to be when they improve the efficiency or effectiveness of the company?

- a. difficult to imitate
- b. valuable
- c. organized
- d. rare

85. From an organization's perspective, what is an important shortcoming of having to rely on part-time employees?

- a. limited benefits
- b. costs of continuous replacement
- c. lack of training
- d. no job security

86. Vindal Fabrics has determined that its organizational strength is being an industry leader in producing upholstery fabrics for automobiles. The company believes its weakness is its performance in Southeast Asia. It has also determined that it is missing an opportunity by not yet branching into upholstery for public transit seats. In order to complete a SWOT analysis, does Vindal Fabrics need to do next?

- a. It needs to see that its major threat is the economic downturn of the auto industry.
- b. Its HR department needs to address the company's major weakness.
- c. It needs to perform a revenue analysis in order to see what chances it can take.
- d. Its HR department needs to address the company's missed opportunity.

87. Which of the following is the process of identifying, developing, and tracking key individuals so that they may eventually assume top-level positions?

- a. target forecasting
- b. predicted change
- c. succession planning
- d. replacement selection

chapter 2

Scenario 2.2

Avie Products Inc. is planning to add a third shift to its production schedule. It currently has 450 workers involved in all aspects of its fertilizer business, best done in Canada. A recent surge in demand from its global customers is driving the need for more workers; however, Simi Meher, the CEO, is concerned that the surge may be temporary, especially in light of the recent economic downturns in the global environment where Avie does business.

88. Refer to Scenario 2.2. Which approach could Avie use to forecast demand for its products?

- a. staffing tables
- b. Markov analysis
- c. skill inventories
- d. trend analysis

89. Which statement best describes strategic knowledge workers?

- a. They have skills that are valuable but not unique.
- b. They have firm-specific skills directly related to company strategy.
- c. They have unique skills directly linked to the company's strategy.
- d. As consultants, they have strategic skills.

Scenario 2.2

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90. Refer to Scenario 2.2. What is the best strategy for Avie to follow with respect to workers on the third shift?

- a. hire full-time employees to get their commitment
- b. hire part-time staff
- c. get management to do the extra work
- d. outsource the work to India

91. What is values-based hiring?

- a. hiring employees whose values correspond to their corporate cultures
- b. hiring employees based on good ethical values
- c. hiring decisions that lead to new values being adopted by the company
- d. hiring executives who then instill their values in the company

92. As part of its strategic planning process, TJX Corporation is involved in a systematic, regular monitoring of major external forces influencing the organization. What is this process called?

- a. external forecasting
- b. human resource planning
- c. Markov analysis
- d. environmental scanning

93. What do we call integrated knowledge sets within an organization that distinguish it from its competitors and deliver

chapter 2

value to customers?

- a. core capabilities
- b. competitive advantage
- c. human capital
- d. organizational competencies

94. Organization Y is a unionized textiles manufacturing company that is downsizing. What will Organization Y most likely use when deciding whom to lay off first?

- a. seniority
- b. the payroll
- c. what skills and abilities the company needs to thrive
- d. talent

95. XYZ Corporation wants to track the percentage and actual number of employees who remain in each of the firm's job from one year to the next. Which of the following would XYZ Corporation benefit from?

- a. a replacement chart
- b. a skills inventory
- c. a Markov analysis
- d. a succession plan

Scenario 2.1

Blockbuster Canada was the first of its kind in Canada in the movie and games rental business and operated for more than 21 years. However, with the advent of more modern technology accessible mainly through Netflix and Rogers On Demand, Blockbuster struggled to stay relevant in a tech-savvy environment where videos and games could now be rented conveniently from the comfort of one's couch via computer or TV. Despite efforts to try to stay relevant, Blockbuster did not leverage technology that had become an important part of their consumer base's daily lives. As a result, Blockbuster was not able to fight off the competition.

96. Refer to Scenario 2.1. What is one of the most important assessments a firm like Blockbuster could have made in order to stay relevant?

- a. identifying the needs of its customers
- b. identifying the needs of its producers
- c. identifying the needs of its employees
- d. teaming up with the competition

97. Refer to Scenario 2.1. Blockbuster Canada managers could have successfully advanced the company and remained relevant by focusing on which of the following?

- a. an environmental analysis
- b. what they do best, traditional rentals
- c. technological changes including information technology and innovations
- d. incentives to keep consumers coming back

98. Eldorado Electronics wants to move from the stagnant calculator industry into the smart phone industry. To do so, however, it would have to make significant changes to its approach to product development in order to gain an edge in this competitive industry. What is the smartest next step for Eldorado Electronics?

chapter 2

- a. It should consider how its strategic plans will affect its HR needs.
- b. It should engage in human resources planning.
- c. It should apply principles of strategic human resources management.
- d. It should consider how its strategic plans will affect HR needs and also how its current HR status will affect its strategic plans.

99. What do we call reducing the workforce through the departure of employees who resign or retire?

- a. attrition
- b. contraction
- c. contracting out
- d. termination

100. Which of the following is a cooperative strategy pursued by firms?

- a. joint ventures
- b. mergers
- c. acquisitions
- d. diversification

Scenario 2.2

Avie Products Inc. is planning to add a third shift to its production schedule. It currently has 450 workers involved in all aspects of its fertilizer business, best done in Canada. A recent surge in demand from its global customers is driving the need for more workers; however, Simi Meher, the CEO, is concerned that the surge may be temporary, especially in light of the recent economic downturns in the global environment where Avie does business.

101. Refer to Scenario 2.2. Assume that Avie goes ahead with the third shift. What can the company use to evaluate the effectiveness of this strategy in a year's time?

- a. Markov analysis
- b. trend analysis
- c. skill inventories
- d. benchmarking

Scenario 2.1

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102. Refer to Scenario 2.1. For years, Blockbuster survived as a successful entity with various competitors until Netflix and Rogers On Demand began making movies and games available online. Which of the following most likely contributed to Blockbuster going out of business?

- a. economic, global, political, and environmental factors
- b. technological, psychological, and physical factors
- c. technological changes, social concerns, and demographic and labour market trends

Name _____ Class _____ Date: _____

chapter 2

d. the lack of knowledge workers

103. What are the advantages and disadvantages of using attrition as a downsizing strategy?

104. Describe how human resources planning is integrated with strategic planning.

105. Identify and briefly describe three strategies that managers frequently use to cope with a labour shortage.

106. Describe the three key elements of the HRP model.

Name _____ Class _____ Date _____
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chapter 2

Answer Key

1. False
2. False
3. False
4. True
5. False
6. False
7. True
8. True
9. False
10. True
11. False
12. True
13. False
14. True
15. False
16. False
17. True
18. False
19. False
20. True
21. False
22. True
23. True
24. True

Name _____ Class _____ Date _____

chapter 2

25. True

26. True

27. True

28. True

29. False

30. False

31. False

32. True

33. True

34. True

35. True

36. True

37. True

38. True

39. False

40. True

41. True

42. True

43. True

44. False

45. True

46. True

47. True

48. True

49. a

Name _____ Class _____ Date _____

chapter 2

50. d

51. b

52. c

53. b

54. c

55. a

56. a

57. b

58. d

59. d

60. c

61. b

62. b

63. b

64. c

65. c

66. a

67. b

68. b

69. b

70. d

71. c

72. d

73. c

74. a

Name _____ Class _____ Date _____

chapter 2

75. d

76. b

77. c

78. c

79. c

80. c

81. d

82. a

83. c

84. b

85. b

86. a

87. c

88. d

89. c

90. b

91. a

92. d

93. a

94. a

95. c

96. a

97. c

98. d

99. a

chapter 2

100. a

101. d

102. c

103. The primary advantage of using attrition (combined with a hiring freeze) is the ability to control and predict compensation expenses that go beyond the salaries and benefits redeemed from departing employees. When the organization does not replace departing employees, the reduction in recruitment, orientation and training, office space costs, and so forth, can result in substantial savings.

However, the disadvantages of attrition are significant. Current employees may be overburdened with the work of departing employees; their skills may not match the skill sets of the departed workers; and no new skills or ideas are infiltrating the organization. In addition, the organization is unable to control who leaves and who stays, which may result in valuable employees leaving, while less needed ones remain. Attrition also poses the disadvantage of taking a long time, compared to processes that can be accomplished rapidly, such as layoffs.

104. Through strategic planning, organizations set major objectives and develop plans to achieve those objectives. HRP provides a set of inputs that determine what is or is likely to be possible, given the number of available people, training needs, and other people-related issues. HR strategies and action plans are developed according to the overall strategic goals that evolve from the strategy formulation process. During the strategy implementation phase, HRP must make resource allocation decisions, and implement policy, practices, and training that support the decisions and outcomes of the strategic planning process.

105. (1) Overtime (i.e., asking employees to work extra hours) is a strategy used by most firms during peak periods. (2) Increasingly, organizations are using part-time employees to increase flexibility in scheduling and reducing payroll costs. Many organizations use part-time or contract employees to cover the absences of regular, full-time employees. (3) In addition, nine out of ten Canadian companies—both large and small—make some use of temporary employees. “Temps” are typically used for short-term assignments, vacation fill-ins, for peak work periods, or to cover for employees taking sick leave, pregnancy leave, and so forth.

106. The three key elements in the HR planning process are (1) forecasting demand, (2) forecasting supply, and (3) balancing supply and demand considerations.

Forecasting demand involves estimating in advance the number and type of people needed to meet organizational objectives. It may involve a quantitative approach using statistical analysis and mathematical models or a qualitative approach focusing on employee performance and promotability.

Forecasting supply determines if there are sufficient numbers and types of employees available to staff anticipated openings. Sources of supply can be external or internal.

HR planning should strive for a proper balance between the emphasis placed on demand considerations and that placed on supply considerations. Demand considerations are based on the forecast of trends in business activity. Supply considerations involve the determination of where and how candidates with the required qualifications are to be found to fill vacancies.