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STRATEGY AND HUMAN RESOURCES PLANNING



This chapter emphasizes the need for effective HRP as a means of ensuring that qualified employees will be available to meet staffing needs when and where they occur. Two principal approaches to HRP and to the requirements for accomplishing such planning effectively are introduced. Some of the more important factors that may determine an organization's HR needs, as well as the sources from which the different classes of employees may be obtained, are discussed.

CHAPTER LEARNING OUTCOMES

[OUTCOME 1] Identify the advantages of integrating human resources planning and strategic planning.

[OUTCOME 2] Understand how an organization's competitive environment influences strategic planning.

[OUTCOME 3] Understand why it is important for an organization to do an internal resource analysis.

[OUTCOME 4] Describe the basic tools for human resources forecasting.

[OUTCOME 5] Explain the linkages between competitive strategies and HR.

[OUTCOME 6] Understand what is required for a firm to successfully implement a strategy.

[OUTCOME 7] Recognize the methods for assessing and measuring the effectiveness of a firm's strategy.

LECTURE OUTLINE

I. STRATEGIC PLANNING AND HUMAN RESOURCES

[OUTCOME 1]

Human resources planning (HRP) is the process of anticipating and providing for the movement of people into, within, and out of an organization. HRP is done to achieve the optimum use of human resources and to have the correct number and types of employees needed to meet organizational goals.

A. Importance of Human Resources Planning

- HRP provides the basis for establishing and maintaining effective HR programs and for coordinating the various HRM functions.
- When correctly done, HRP can save the organization several intangible costs. For example, the lack of HRP can result in vacancies remaining unfilled, causing a loss of organizational efficiency. Poor HRP can cause inefficiencies for employees to make plans for career or personal development.

B. Strategic Planning and HR Planning: Linking the Processes

- *Strategic planning involves a set of procedures for making decisions about the organization's long-term goals and strategies.*
- HR managers must be concerned with meshing HRP and strategic planning for the organization as a whole. Through strategic planning, organizations set major objectives and develop comprehensive plans to achieve those objectives. Human resources planning relates to strategic planning in several ways, but at a fundamental level we can focus on two issues: strategy formulation and strategy implementation. Human resources planning provides a set of inputs into the strategic formulation process in terms of what is possible; that is, whether the types of and numbers of people are available to pursue a given strategy.
- In addition to strategy formulation, HRP is important in terms of strategy implementation as well. Once the strategy is devised, executives must make primary resource allocation decisions, including those pertaining to structure, processes, and human resources. The result is *strategic human resources management which is the pattern of human resources deployments and activities that enable an organization to achieve its strategic goals.*
- Use *Presentation Slide 2-4 - Strategic Planning and Human Resources*. Based on *Figure 2.1 - Linking Strategic Planning and Human Resources* in the textbook, this diagram depicts the connections between strategic planning and human resources.

Presentation
Slide 2-4

II. STEP ONE: MISSION, VISION, AND VALUES

- The first step in strategic planning is establishing a mission, vision, and values for the organization. *The mission is the basic purpose of the organization, as well as its scope of operations. The strategic vision is a statement about where the company is going and what it can become in the future; clarifies the long-term direction of the company and its strategic intent. Organizational core values are the strong enduring beliefs and principles that the company uses as a foundation for its decisions.*
- *Highlights in HRM 2.1 – WestJet: Mission, Vision, and Values* describe WestJet Airlines’ mission, vision and values.

Highlights in
HRM 2-1

III. STEP TWO: ENVIRONMENTAL ANALYSIS

OUTCOME

- The HRP process will be integrated with the strategic planning process through environmental scanning. *Environmental scanning is the systematic monitoring of the major external forces influencing the organization.* By monitoring the external environment, organizations can identify those trends and issues that may affect the organization and its HR programs. Federal and provincial legislation, demographic changes in population, and economic trends are all important areas that HR managers should monitor. The following six areas are monitored most frequently:
 1. Economic factors and development information, including general, regional and global conditions
 2. Industry and competitive trends, including new processes, services and innovations
 3. Technological changes, including information technology, innovations, and automation
 4. Government and legislative issues, including laws and administrative rulings
 5. Social concerns, including child care, elder care, the environment, and educational priorities
 6. Demographic and labour market trends, including the age, composition, and literacy of the labour market, and immigration
- *See Highlights in HRM 2.2 – Spotting Trends in the Global Economy* to learn how understanding global issues is important to HR practitioners.
- **Competitive Environment-** While many factors in the general environment may influence strategic decisions, analysis of the firm’s competitive environment is central to strategic planning. The competitive environment includes the specific organizations with which the firm interacts.
 - As shown in *Figure 2.2, Five Forces Framework*, the competitive environment includes *customers, rival firms, new entrants, substitutes, and suppliers.*
 - b. Customers – the following ideas lead to excellent customer service

Highlights in
HRM 2.2

Figure 2.2

1. Speed of delivery normal orders
 2. Willingness to meet extraordinary needs
 3. Merchandise delivered in good condition
 4. Readiness to take back defective goods and resupply new goods quickly
 5. Availability of installation and repair services and parts
- **Rival Firms** – In addition to customer analysis, the most obvious element of industry analysis is examining the nature of competition.
 - **New Entrants** – New companies can sometimes enter an industry and compete well against established firms. Some companies establish barriers to keep new firms out of the industry – called barriers to entry.
 - **Substitutes** – The biggest threat in an industry is not with direct competition but from substitution.
 - **Suppliers** – Inputs from suppliers include raw materials for production, money, information and people.
 - **External Supply of Labour** - Many factors influence the labour supply, including demographic changes in the population, national and regional economics, education level of the workforce, demand for specific employee skills, population mobility, and governmental policies. Labour force trends illustrate the importance of monitoring demographic changes as a part of environmental scanning.

IV. STEP THREE: INTERNAL ANALYSIS

[OUTCOME 3]

1. The Three Cs: Culture, Capabilities, and Composition

- In the context of human resource planning, internal analysis focuses especially on “the three Cs”: culture, capabilities, and composition. Because managers increasingly understand that employee-oriented cultures are critical to success, they often conduct *cultural audits, or audits of the culture and quality of work life in an organization*, to examine the attitudes and beliefs of the workforce as well as the activities they engage in.

Cultural Auditing Values, Beliefs, and Attitudes

- Some key questions to ask in a cultural audit include:
 6. How do employees spend their time?
 7. How do they interact with each other?
 8. What is their morale level?
 9. Are employees empowered?
 10. What is the predominant leadership style of the firm’s managers?
 11. How do employees advance within the organization?

Capabilities: People as a Strategic Resource

- A growing number of experts now argue that the key to a firm’s success is based on establishing a set of *core competencies, or integrated knowledge sets within an organization that distinguish it from its competitors and deliver value to customers*.

Composition: The Human Capital Architecture

- A related element of internal analysis for organizations that compete on competencies is determining the **composition of the workforce**. That is, managers need to determine whether people are available, internally or externally, to execute an organization’s strategy. In some respects, this has traditionally been the focal point of human resources planning. Managers have to make tough decisions about whom to employ internally, whom to contract externally, and how to manage different types of employees with different skills who contribute in different ways to the organization.
- Ultimately, organizations must use its human capital to achieve a competitive advantage, and the following criteria serve as guide to developing it:
 12. The resources must be valuable
 13. The resources must be rare
 14. The resources must be difficult to imitate
 15. The resources must be organized
- *See Highlights HRM 2.3 – The Measurement of Human Capital - recognizes the value of human capital in the Province of British Columbia*
- Evidence from research suggests that employment relationships and HR practices for different employees vary according to which segment they occupy in this matrix. General trends include:
 16. Strategic knowledge workers
 17. Core employees
 18. Supporting labour
 19. Alliance partners
- *Ethics in HRM – The Employment Contract* describes some issues associated with Contract Workers
- Also see *The Business Case – Hiring Contract Workers Pays*
- *See Figure 2.3 – Mapping Human Capital*

Highlights in HRM 2-3

Ethics in HRM

The Business Case

Figure 2-3

V. FORECASTING: A CRITICAL ELEMENT OF PLANNING

[OUTCOME]

A. Forecasting a Firm’s Demand for Employees

Forecasting is the HR activity of estimating in advance the number and types of people needed to meet organizational objectives. There are two approaches to forecasting: quantitative and qualitative.

1. Quantitative Approaches

- The quantitative, or top-down, approach uses statistical or mathematical techniques. For example, **trend analysis is a quantitative approach to forecasting labour demand based on an organizational index such as sales.**
- Use *Figure 2.4 – Model of HR Forecasting* as a basis for discussing demand forecasts for labour. There are three key elements to forecasting:

Figure 2.4

1. forecasting the demand for labour
 2. forecasting the supply of labour
 3. balancing supply and demand considerations
- Review *Reality Check – HR Planning for Registered Nurses* to see the projected shortfall for registered nurses by 2022.

Reality Check

2. Qualitative Approaches

- The second forecasting technique is the qualitative, or bottom-up, approach. This approach is less statistical and attempts to reconcile the interests, abilities, and aspirations of individual employees with the current and future staffing needs of the organization.
- **Management forecasts are the opinions (judgments) of supervisors, department managers, experts, or others knowledgeable about the organization's future employment needs** and the Delphi technique (i.e., judgments of a preselected group of individuals) are examples of the qualitative approach to forecasting.
- Considerations: Regardless of the forecasting method used, the process is more an art than a science. This is due to the ever-changing environment in which the organization operates. When forecasting, managers must consider changes in technology, labour force demographics, and various organizational concerns such as financial position, administrative changes, and long- and short-term growth plans.
- See *Highlights in HRM 2.4 – HR Planning and Strategy Questions to Ask*

Highlights in
HRM 2-4

B. Forecasting the Supply of Employees

- Supply analysis is concerned with determining if the numbers and types of employees needed are available to staff projected vacancies. Supply analysis will start with an internal evaluation of the existing supply of employees, and if current employees are not available, an external evaluation of the human resources supply will be made.

1. Internal Labour Supply

- The internal supply analysis begins with an evaluation of **staffing tables**, which are **graphic representations of all organizational jobs, along with the numbers of employees currently occupying those jobs and future (monthly or yearly) employment requirements**.
- The technique called **Markov analysis is a method for tracking the pattern of employee movements through various jobs**. See *Figure 2.6 – Hypothetical Markov Analysis for a Retail Company* in the textbook
- HR professionals and other managers will also review the skills inventories kept on present employees. **Skills inventories are files of personnel education, experience, interests, skills, and so on that allow managers to quickly match job openings with employee backgrounds**.
- Management inventories can be used to develop employee **replacement charts which are listings of current jobholders and people who are potential replacements if an**

Figure 2.6

Figure 2.7

opening occurs. Replacement charts can help with succession planning. **Succession planning is the process of identifying, developing, and tracking key individuals for executive positions.** See Figure 2.7 – An Executive Replacement Chart in the textbook.

- Also see *Highlights in HRM 2.5 – Succession Planning Checklist.*

Highlights in
HRM 2.5

2. Assessing a Firm’s Human Capital Readiness: Gap Analysis

- Once a company has assessed both the supply and demand for employee skills, talent, and know-how, it can begin to understand its human capital readiness.
- **Human capital readiness is the process of evaluating the availability of critical talent in a company and comparing it to the firm’s supply.** See Figure 2.8 – Assessing a Firm’s Human Capital.

Figure 2.8

VI. STEP FOUR: FORMULATING STRATEGY

OUTCOME

A. Corporate Strategy

- After managers have analyzed the internal strengths and weaknesses of the firm, as well as external opportunities and threats, they have the information they need to formulate corporate, business, and HR strategies for the organization. **A comparison of strengths, weaknesses, opportunities, and threats for strategy formulation purposes is referred to as a SWOT analysis.** See Figure 2.9 – An Example of a SWOT Analysis.

Figure 2.9

Growth and Diversification

- As companies grow, their strategic choices trend to focus on geographic, volume, and product expansion. HR planning is a vital input to these decisions. Growth hinges on three related elements:
 20. increased employee productivity,
 21. a greater number of employees, and
 22. employees developing or acquiring new skills.
- Concerns about staffing, training, motivation, performance, and the like can either enable growth or limit its potential. As companies diversify into new businesses, managers inevitably are faced with a “make or buy” decision.

Mergers and Acquisitions

- See *Highlights in HRM 2.6 – Key HR Activities Associated with Merger or Acquisition Phases.*

Highlights in
HRM 2.6

Strategic Alliances and Joint Ventures

- Sometimes firms do not acquire or merge with another firm, but instead pursue cooperative strategies such as a **strategic alliance or joint venture.**

B. Business Strategy

- While we think about corporate strategy as domain selection, business strategy is viewed in terms of domain navigation. It is more focused on how the company will compete against rival firms in order to create value for customers. One can think of

value creation as what the firm adds to a product or service by virtue of making it; the amount of benefits provided by the product or service once the costs of making it are subtracted (that is, value = benefits – costs). Companies can increase customer value either by decreasing costs to customers or by increasing their benefits (or some combination of the two). And their business strategies reflect these choices. There are four main strategies including:

1. **Low-Cost Strategy: Compete on Productivity and Efficiency** - a low cost strategy means keeping your costs low enough so that you can offer an attractive price to customers (relative to competitors). A low-cost strategy has several links to HR planning. The first has to do with productivity. The second way that low-cost strategies are linked to HR pertains to outsourcing.
2. **Differentiation Strategy: Compete on Value Added** - while decreasing costs is one important way to enhance customer value, another involves providing something unique and distinctive to customers. A differentiation strategy is often based on high product quality, innovative features, speed to market, or superior service.
3. **External Fit/Alignment** - focuses on the connection between the business objectives and the major initiatives in HR.
4. **Internal Fit/Alignment** - managers need to ensure that HR practices are all aligned with one another internally, to establish a configuration that is mutually reinforcing. Job design, staffing, training, performance appraisal, and compensation- the entire range of HR practices- need to focus on the same workforce objectives.

VII. STEP FIVE: STRATEGY IMPLEMENTATION

[OUTCOME]

It should be stressed to students that dealing with surplus labour often call for some very difficult decisions. However, if it means corporate survival, the numbers of positions and employees may be reduced.

- *Figure 2-10 – The 7-S Model* - shows the classic 7-S framework and reveals that human resources management is instrumental to almost every aspect of strategy implementation, whether it pertains to
 1. Structure
 2. Systems
 3. Style
 4. Staff
 5. Skills
 6. Strategy
 7. Shared values.

Figure 2.10

Taking Action: Reconciling Supply and Demand

A. Organizational Downsizing, Outsourcing and Offshoring

- Due to economic and competitive pressures, many organizations are cutting jobs. These cuts are not restricted to hourly employees. As noted in Chapter 1, technical, professional, and managerial positions have been eliminated at an unprecedented rate.
- Ask students about their experiences with downsizing (family, friends, themselves).
- See *Highlights in HRM 2.7 – Managing Labour Shortages* – for an example of a company in Nova Scotia that proactively generated the labour supply it required by partnering with the Nova Scotia Community College

Highlights in
HRM 2.7

B. Making Layoff Decisions

- These decisions are generally based on seniority and/or performance. Frequently, these criteria are set forth in the union agreement. Ask students about the advantages and disadvantages of using criteria such as seniority for layoff decisions. Organizations with collective agreements will typically use seniority, although factors such as ability and fitness may take precedence over seniority when layoffs need to be determined.
- There are several options when it comes to dealing with surplus employees including layoffs, attrition, and termination.
 1. Layoff Strategies – Organizational policy as well as provisions in the collective agreement should establish and define clearly the employment rights of each individual and the basis on which layoff selections will be made and re-employment effected. Typically, employers recognize seniority in unionized organizations, while non-unionized organizations will vary. One of the greatest disadvantages of using seniority is that less competent employees receive the same rewards and security as the more competent ones because seniority focuses on longevity as opposed to talent and effort. The most common layoff strategies include:
 - a. Reduced workweek
 - b. Reduced shifts
 - c. Transfers to related companies
 2. Attrition Strategies – Some organizations adopt a no-layoff policy and instead prefer to reduce the workforce through attrition. ***Attrition is a natural departure of employees from organizations through quits, retirements, and deaths.*** Often other practices must supplement an attrition strategy like a hiring freeze. ***A hiring freeze is a practice whereby new workers are not hired as planned, or workers who have left the organization are not replaced.*** The advantage of an attrition strategy is that it does not result in any one individual losing his or her job, as the outgoing employee is not replaced. However, the disadvantage of an attrition strategy is that the benefits to the organization are often slow to be realized.
 3. Termination Strategies – If the surplus of labour is permanent, often the only option for an organization is to consider terminations. ***Termination is a practice initiated by an employer to separate an employee from the organization permanently.*** Employers cannot terminate without some form of compensation to the employee. ***Severance pay is a lump-sum payment given to***

terminated employees. With termination, the company is often faced with some immediate expenditures in the form of severance packages in order to enable its future success. Every province has an *Employment Standards Act* which determines the minimum amounts but students should know that companies are often more generous in an effort to ease the transition for a terminated employee.

VIII. STEP SIX: EVALUATION AND ASSESSMENT

[OUTCOME]

A. Evaluation and Assessment Issues

Assessing a firm's effectiveness is the final step in the planning process. Evaluation provides input for the planning process for the next cycle. Measurement, benchmarking, alignment, fit, and flexibility issues are central to the evaluation process. In order to evaluate performance, firms need to establish a set of parameters that focus on the "desired outcomes" of their strategic planning and the metric they will use to monitor how well the organization delivers against those outcomes.

B. Measuring a Firm's Strategic Alignment

- **Benchmarking is the process of comparing the organization's processes and practices with those of other companies.**
- *See Highlights in HRM 2.8 - Ten Measures of Human Capital.* The Saratoga Institute publishes the annual Human Capital Benchmarking Report, which includes benchmarking information from almost 900 companies.

Highlights in
HRM 2.8

Strategy Mapping and the Balanced Scorecard

- **Balanced Scorecard (BSC) is a measurement framework that helps managers translate strategic goals into operational objectives.** There are four main objectives including:
 1. financial
 2. customer
 3. processes
 4. learning
- *See Figure 2.11 – Building the Metrics Model* shows an example of how the BSC is applied to Starbucks.

Figure 2.11

Measuring Internal Fit

- **Internal Fit means that HR practices are all aligned with one another to establish a configuration that is mutually reinforcing.**

C. Ensuring Strategic Flexibility for the Future

- Apart from the need to establish and measure fit between HR and strategy, HR is also focused on ensuring flexibility and agility when the environment changes. Flexibility can be achieved in two primary ways: coordination flexibility and resource flexibility. **Coordination flexibility occurs through rapid reallocation of resources to new or changing needs. Resource flexibility results from having people who can do many different ways.** Ultimately, successful HRP helps increase **organizational capability which is the capacity of the organization to act and change in pursuit of sustainable competitive advantage.**

- See *Small Business Application* to determine how HR changes for small businesses.

Small Business

ANSWERS TO END-OF-CHAPTER DISCUSSION QUESTIONS

1. The three key elements of the HRP model are (1) employment forecasting, (2) supply analysis, and (3) balancing supply and demand considerations. Employment forecasting estimates the numbers and types of people needed to meet organizational objectives. Supply analysis then determines if the numbers and types of people needed are available either externally or internally. The final step in HRP is to balance the required number of employees with those available. If inconsistencies exist, changes in the staffing requirements may be needed.
2. These environmental forces include the following: economic factors, including general, regional, and global conditions; industry and competitive trends, including new processes, services and innovations; technological changes, including information technology, innovations, and automation; government and legislative issues, including laws and administrative rulings; social concerns, including child care, elder care, the environment, and educational priorities; demographic and labour market trends, including age, composition, and literacy.

Due to the baby boomers retiring in the next 5 years, community colleges and universities will be in demand for new faculty members, a challenge to attract qualified candidates for teaching positions. However with the cancellation of mandatory retirement, many professors will hold onto their positions to build back lost retirement equity from the 2008-2009 economic downturn. This will maintain the available supply.

3. The criteria include: customers, rival firms, new entrants, substitutes and suppliers.
4. The quantitative approach is a top-down approach directed toward the needs of management. Specialists who are trained in the application of statistical and mathematical techniques use it. This approach is concerned with employees as numerical entities and attempts to reconcile the supply and demand for human resources in the light of organizational objectives. The qualitative or behaviourally oriented approach is a bottom-up approach directed toward the needs of employees. It utilizes the input of the practitioners skilled in counselling and development techniques and is concerned with employees as individuals. The focus is on their performance appraisal, promotability, and career and management development. A chief concern of this approach is that of reconciling the interests, abilities, and aspirations of individuals with the needs of the organization.
5. Corporate Strategy focuses on domain selection; that is, where they will compete. Some firms choose a concentration strategy that focuses on only a limited portion of the industry. For example, Sleep Country Canada specializes in mattresses. Business strategy is viewed in terms of domain navigation. It is more focused on how the company will compete against rival firms in order to create value for customers. Companies can increase customer value either by decreasing costs to customers or by increasing their benefits (or some combination of the two). And their business strategies reflect these choices.
6. Nortel's primary approach to an oversupply of labour was job elimination and layoffs because of the need to control costs quickly. Other strategies such as attrition or voluntary retirement are lengthier in seeing results.
7. Review organizational capability and why it is important to a firm and how HR managers can enhance it. Organizational capability is the capacity of the organization to act and change in pursuit of sustainable competitive advantage. The driving force within an organization is its competitive advantage. If an organization is slow to adapt to changes in the external environment whether from customers, suppliers, competitors, legislation and so on, it will erode its competitive advantage. Organizational capability gives an organization the understanding of where it excels and where its human capital will serve it best.

Customizing HR for Different Types of Human Capital

- The first employee, Andrea, would be considered a core knowledge worker and hence need more autonomy than other employees. The company should deeply invest in Andrea in terms of training. Compensation should not only be tied to her own performance, but to the company's as well.
- The second employee, Calvin, is strategically valuable to the firm but does not possess skills and knowledge that are unique to the firm. Thus, the company should create a more symbiotic relationship, with less investment in training, more personal compensation, and performance based on personal sales.
- The third employee, Evelyn, has skills that are neither highly valuable nor unique to the company. Thus, a more contractual relationship is probably more beneficial to the company and to her. This way, both parties are less obligated to one another.

BIZFLIX

U-571

Scene: Setting Strategy

- DVD: Strategy and Human Resource Planning
- VHS: (Start: 0:05:09 – Stop: 0:06:40 – 2 minutes)

The scene from *U-571* shows several aspects of strategic management and strategic planning described in this chapter. Show the scene after introducing strategic management and strategic planning. You can guide a discussion focused on the questions in the textbook.

What to Watch for and Ask Yourself

1. Does Lt. Tyler (Matthew McConaughey) analyze the submarine's external environment?

Lt. Tyler carefully assesses the submarine's external environment. The external environment includes his submarine's submerged level, its change in that level, and the enemy destroyer's position and speed. The creation of the debris field noted in the next question becomes part of the external environment involved in his strategic plan.

2. What is Lt. Tyler's assessment of the submarine's resources and competitive advantage?

Tyler almost enthusiastically notes the advantage of a stern shot at the enemy ship after reaching periscope depth. Its other resources include the distraction of a debris field including Mazzola's (Erik Palladino) body and the use of his submarine's buoyancy to offset its two-knot speed.

3. Does Lt. Tyler consider threats and opportunities in forming his strategic plan?

Lt. Tyler assesses threats and opportunities in forming his strategic plan. The threats (primarily death) are well known to everyone and require little explicit discussion. Other threats include his submarine's slow speed compared to the destroyer's speed and little chance of pursuing it for a successful torpedo hit. He notes specific opportunities such as the creation of a debris field and quickly rising to periscope depth.

NOTES FOR END-OF-CHAPTER CASE STUDIES

Case Study 1: Staffing, Down to a Science at Capital One

1. No amount of quantitative HR planning is likely to be on target if a firm doesn't have a grip of how engaged its current workforce is. HR managers can attempt to measure this via employee engagement surveys.
2. Breaking the planning process down to the lowest level business manager is ideal because in complex organizations such as Capital One, these managers are likely to have a better idea of which jobs and people are critical than a high-level manager might. In addition, each manager is also likely to have a better idea of what the "endgame" for her unit should be. Breaking the process down to lower level managers is likely to be somewhat less useful in simple, or small, businesses in which top level managers have a good understanding of all of the HR "pieces of the puzzle" and the business's ultimate "endgame."

Case Study 2: Matching Talent with Tasks: Dole Implements Succession Planning

1. As companies merge and go global, it becomes harder for them to keep track of their many employees and their talents that could be utilized in different divisions. Without an inventory of that talent, qualified employees can get "lost in the system," never promoted, and perhaps quit. That increases a company's hiring costs, but it also seriously affects its ability to stay competitive with firms that do have good succession planning mechanisms in place.
2. A disadvantage could occur if the automated succession planning becomes the main criteria for employee advancement. Rather, managers should use the automated tool as a way to expand their "known" talent pool of employees qualified for advancement. The ultimate advancement decision, however, needs to be left to the discretion of people, not software or computers.