

Making Human Resources More Resourceful

With the constant stream of lay-offs and unemployment news, now is a perfect time to energize the performance of human resources departments. Whether preparing to downsize, looking to upgrade talent, or preparing for the next upturn in hiring needs, HR departments can work now to be a truly valuable resource to the organization it supports. Key initiatives may include defining turnover TAKT times, aligning the organization on hiring funnel conversion rates, and setting usable absenteeism planning rates.

Turnover TAKT Time

TAKT time is a tool often used in manufacturing processes whereby a manufacturing unit defines how often a customer demands a product. As an example, if a customer submits an order for 10 units per week, and manufacturing runs five days per week, the TAKT time would be $5/10 = .5$ days. That is, manufacturing needs to produce one unit every .5 days to meet average customer demand.

In human resources, TAKT time can be used to predict employee turnover, and therefore allow human resources to more appropriately plan hiring replacements. To define TAKT time for HR, first look at historical needs. Calculate how many hires were needed at a given position over the last year. Then work with the managers to agree upon a growth or contraction rate for the next year. If 25 people were hired last year and 10% growth is expected this year, it is likely safe to assume 28 hires will be needed this year. Divide 52 weeks by 28 hires to define a TAKT time of around 1.8 weeks per hire.

By defining the TAKT time along with the department management, there is now a clear expectation to work off of, and HR can manage the recruiting process accordingly. Further coordination between HR and the department can be achieved through an aligned hiring funnel.

Hiring Funnel Alignment

Most managers underestimate the quantity of applicants required to fill a position, and often become frustrated with the amount of time required from requisition to hire. Many HR departments are successful in reducing the frustration by aligning the organization on the typical hiring funnel. The activity of evaluating actual funnel conversion ratios can be telling to the HR group itself, but often come as a drastic surprise to departmental line managers. Very commonly, HR groups work off of a general conversion rate, but regularly are surprised at the actual numbers if they are not regularly measured and reviewed. Look back at the last few hires and count the number of applicants, the number of first interviews, the number of 2nd interviews, the number of offers extended, and the number of hires.

Once actual funnel conversion rates are calculated, spread the word throughout the organization to align everyone on the activity required for a hire. This will often generate a more thorough effort to plan hiring ahead of the need, allowing for a more selective approach. Often the most impactful benefit comes from the surprised manager offering a reference or contact that opens a new highly targeted hiring pool previously untapped by human resources.

Vacation and Absenteeism Planning

Another area where HR can act as more than a hiring resource to the departments which they support is in day to day personnel planning of vacation and absenteeism. This is an area where rough estimates are regularly used, but lead to manpower shortages or idle labor whenever the estimate is off.

Human resources can use historical data to identify how many employees on average use vacation or call out sick any given day of the week, week of a month, or month of a year. Then HR can take an active role in building the staff schedule by forecasting absenteeism and reporting the forecast's accuracy in tandem with the output results of the department.

Human Resources as a Business Partner

With a positive and productive approach to bringing HR into the fold of everyday business management, the skills and strengths can be used beyond the most common hiring and training. With an emphasis on cooperation and planning, business managers can be rid of their regular frustration with human resources.