

Ranking the Strategies of Human Resource Management During Economic Crisis Period Using Analytic Hierarchy Process

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Choosing a right action in economic crisis period is a kind of multi-criteria decision making problem for human resource management. The aim of this study was to determine the precedence order of these human resource management activities including recruitment, reducing workforce, terminating contracts before they are due, stopping renewing labor contracts, outsourcing business in order to reduce workforce, using more casual workers, increasing the use of flexible working hours, freezing recruitment, expanding workforce, cutting training budget, reducing support for self-initiated study , reducing off-the-job training for middle managers, reducing off-the-job training for low managers, reducing off-the-job training for other employees, reducing on-the-job training, increasing training budget, increasing off-the-job training for middle managers, increasing off-the-job training for low managers, increasing off-the-job training for other employees, increasing on-the-job training, reducing individual performance goals, conducting appraisals more often, conducting appraisals less often, stopping conducting appraisals, rewards and compensation, freezing pay increments, increasing pay increments, reducing base pay rate, increasing base pay rate, reducing performance-based pay rate, increasing performance-based pay rate, reducing fringe benefits, reducing superannuation contributions, restructuring working hours by means of training, hiring part-time employees, freezing the wages and stopping performance-related payment, etc.

The survey participants were the human resource management professionals and academicians. In analyzing the data, Analytical Hierarchy Process (AHP) methodology was used. AHP was developed in the 1970s by Thomas Saaty is a multi-criteria decision making (MCDM) methodology. It has been used extensively for analyzing complex decisions. The approach

can be used to help decision-makers for prioritizing alternatives and determining the optimal alternative using pair-wise comparison judgments. AHP is a effective decision making method especially when subjectivity exists and it is very suitable to solve problems where the decision criteria can be organized in a hierarchical way into sub-criteria. The findings of previous studies about human resource management activities in economic crisis time were first identified by literature review. Human resource managers/experts expressed or defined a ranking for the attributes in terms of importance/weights. Each human resource expert is asked to fill “checked mark” in the 9-point scale evaluation table. The AHP allows group decision making. One of the main advantages of the AHP method is the simple structure. This paper analyzes the possible actions taken by Human Resources managers that are facing the economic crisis.

Keywords: Human Resource Management, Economic Crisis, Analytic Hierarchy Process, Multi Criteria Decision Making, Ranking Strategies