

# Factors that underpin human resource planning



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British Caledonian was born in 1970, when the original Airways took over British United Airways. Two years later the businesses of British Overseas Airways Corporation (BOAC) and British European Airways (BEA) was combined under the newly formed British Airways Board, with separate airlines coming together to form British Airways in March 1974. Its headquarters is in the United Kingdom and is listed on the London Stock Exchange.

Through the years the company has undergone various strategic changes and has since grown and maintains a high Market share in the airline business. British Airways currently flies to over 150 destinations around the world, and has other business units, such as the British Airways world Cargo. British Airways is a member of the 'one world alliance'.

British Airways has a Competitive Advantage and to sustain its growth in the industry. It has recently just completed a Merger with the Spanish Airline - Iberia. It first announced of its proposition to merger with the Spanish Airline - Iberia, in 2008. Preliminary agreement was reached in November 2009 as announced by British Airways and a confirmation of the agreement was published in 2010, with the merger being finalised on the January 21 2011, upon which the world's third largest airline was created. However, both airlines are to continue under separate current brands.

British Airways' Human Resource Department will have to address the implications of this expansion project that has just taken place, by setting out strategic human resource management systems which will enable for the organisation's objectives to be achieved accordingly.

The company is currently headed by the Director Mr Willie Walsh and over the years (since November 2005) he announced on restructuring of the organisation, in a bid to cutting cost and further to remove duplication and simplify the core of business and have a defined accountability responsibilities of the Managers.

Internal issues - such as the disputes between management and staff on remuneration entitlements and other conditions

The credit crunch and recession, over two years ago, has had a drastic impact on the firm.

Weather conditions - such as the " the severe winter snow and ice that has been experienced the last three consecutive winters in Britain

The Volcanic eruption of 2010 in Iceland caused a chaotic effect in Europe, as flights couldn't go in or out of some European regions.

The above mention factors, have caused for the Airline to incur losses and in some cases has had to pay off compensations and provide for contingencies, e. g. in the case of the staff strikes, the Airline has had to engage the services of other companies in order to continue running the scheduled flights at the time.

## **2. 2 ASSESS THE HUMAN RESOURCE REQUIREMENTS IN A GIVEN**

### **SITUATION**

#### **THE CASE OF BRITISH AIRWAYS AND THE MERGER WITH IBERIA .....**

Having undertaken a merger expansion with Iberia - a Spanish Airline, BA has had to develop a workforce plan, which has to be a methodical and integrating systems approach for its operations to continue. The planning will include:

Identifying the human resources required to be able to meet its goals, by determining the right number and skills of the workers required and where and when they are needed.

Wider employment issues that have an impact on recruitment, retention, workforce skills, motivation etc.

Compiling of workforce profiles, which would help in identifying current workforce competencies, competencies required in the future as well as showing the gaps in the competencies, training.

Consider external factors such as demand and supply of labour markets, retirements, education, unemployment, changes in the technology, social, political and economic environment, unstable product demands, as well as competition.

Abiding to government rules and regulations in relations to labour laws and maintain employment equity plans.

Whatever the Human Resources approaches adopted, British Airways has to ensure it integrates with the broad-based management strategies in the expansion plans.

Co-ordinate approaches to a fair grading and remuneration system which is repay and grading across the organisation to create alignment and potential unequal pay claims - with pay levels designed to retain and motivate workers.

Having entered in a merger with Iberia, British Airways is undergoing a period of growth and one area they have to embark on, is a culture change programme to transform their business and motivate their employees to continue exhibiting a high level of performance. In so doing, the Human Resources management has come up with a " people and Organisational Effectiveness" initiative. They have since enlisted working with Dave Ulrich - Professor at University of Michigan and Partner at the RBL Group, as a centre head in this Initiative. This is to work hand-in-hand with the launching of the Human Resources Professionals Programmes for graduates who can help British Airways to realise their objectives.

This is made up of three function areas

Shared Services - Provides all common human resource services, advice and administration

Experts - Identifying and developing expertise

Business Partners - A partnership that delivers a high performing and effective organisation fit for delivering the business objectives.

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BA is committed to providing a flawless Human Resource service and through this Human Resource Professional Programme; it hopes to deliver specific aspects of the Human Resource activity (ba. com)

BA offers attractive packages and rewards for its employees and undertakes reviews to make sure the salaries of the employees are sufficiently competitive to attract and retain the competence of the people they need in the various departments across the entire organisation or group.

Remuneration packages are determined by an individual's contract of employment, this may include:

Generous holiday entitlements

Contributory pension and private healthcare schemes

Superb sports and social amenities and opportunity to join BA clubs

Subsidised staff restaurants

Opportunities for reduced air fare travel and travel discounts, Bonus, Employee share scheme and profit share scheme, are at companies' discretion

BA supports its workforce by providing training and development is across the company. A variety of training programmes are available, offering a wide range of skills, e. g. leadership, team building and negotiations, and in some cases, support for individual's technical and professional qualification is also being provided (ba. com)

## **2.3 DEVELOP A HUMAN RESOURCE PLAN FOR THE ORGANISATION**

Human Resource Planning as defined by Bulla and Scott (1994) is

“ The process for ensuring that the human resource requirements of an organisation are identified and plans are made for satisfying those requirements”.

The aim of human resource planning in any organisation determines the human resources required by an organisation to achieve its goals.

Aims of Human Resource Planning as outlined by Michael Armstrong (2006) are as follows:

To attract and retain the number of people required with the appropriate skills, expertise and competencies

To anticipate the problems of potential surpluses or deficits of people

To develop a well trained and flexible workforce, thus contributing to the organisation’s ability to adapt to an uncertain an changing environment

To reduce dependences on external recruitment when key skills are in short supply for formulating retention, as well as employee development strategies;

To improve the utilisation of people by introducing more flexible systems of work.

The Human Resource Planning of British Airways would include the following process:

### **Organisational Strategic plans**

This is the process by which BA would define its corporate objectives and future plans by analysing its current position and future aspirations in relation to the merger with Iberia. The merger means that the company might be faced with such challenges, the very different cultural backgrounds, not only in literal terms, but also organisational culture. There is need to diverse strategies that would incorporate the two backgrounds, and form one which would work well for the both airlines.

### **Resource Strategy**

This is planning to achieve a competitive advantage by developing intellectual capital – by employing a more capable people than rivals and ensuring they have specific skills and knowledge. The overall aim of the British Airways as an organisation is to be able to have and maintain a large market share and be able to grow in it. Therefore it will seek to engage personnel that would be able to perform competently, so as to achieve a competitive advantage over its rivals.

### **Scenario Planning**

Assessment of the environment in which the organisation is and implications for human resource requirements. The management will look strive to develop a customer focused and high performing culture that will enable for operations to continue, just as before the merger. Afterall, British Airways and Iberia have been working together since towards the end of the 1990's,



as such the environment within which they operate is something of “ comfort zone” to both Iberia and BA.

## **Forecasting of Demand and Supply**

Estimating the future demands of people and assessing the number of people likely to be available from within and outside the organisation. British Airways has since formalised strategies, such as engaging Agency and part time workers in their quest to fill in the demand supply for Human Resources at a reduced cost.

## **Labour Turnover Analysis**

To be able to retain staff, British Airways and Iberia will have to ensure that they have the best strategic Human Resource Management strategies that have the concerns of the employees at utmost priorities. They have to ensure they have the actual labour turnover figures and trends as an input to supply.

Luckily, BA over the years has one of best motivational incentives

## **Work environment Analysis**

Analysis of the working environment in which people work in terms of the scope it provides for them to use and develop their skills and achieve job satisfaction. BA has its own training facilities available for to train its employees so as to equip them with the necessary skills required in their various jobs.

## **Operational effectiveness Analysis**

### **2. 4 CRITICALLY EVALUATE CONTRIBUTION OF A HUMAN RESOURCE PLAN**

#### **TO ORGANISATION'S**

#### **OBJECTIVES**

It helps in identifying the human resources required to be able to meet its goals, by determining the right number and skills of the workers required and where and when they are needed.

It is concerned with determining human resource requirements, job analysis, Human Resource – planning is the process of assessing the organization's human resource needs in light of organizational goals and making plans to ensure that a competent, stable work force is employed

There is no single approach to developing a Human Resources Strategy. The specific approach will vary from one organisation to another. Even so, an excellent approach towards a Human Resource Strategic Management System is evident in the model presented below. This approach identifies six specific steps in developing an HR Strategy:-

## **Setting the strategic direction**

## **Designing the Human Resource Management System**

## **Planning the total workforce**

## **Generating the required human resources**

## **Investing in human resource development and performance**

## **Assessing and sustaining organisational competence and performance**

articulates more clearly some of the common themes which lie behind the achievement of other plans and strategies, which have not been fully identified before; and

Identifies fundamental underlying issues which must be addressed by any organisation or business if its people are to be motivated, committed and operate effectively.

To be able to continue with an organisation's longevity, management has to have a Human Resource plan in place. The role of Human Resource Planning includes specifics such as:

Ensuring the Human Resource supply meets the human resource demands

Setting human resource objectives and deciding how to meet them

Forecasting the demand for staff within the various corporate functions.

These entail analysing the information and determine the numbers and attributes such as knowledge, skills and attitudes of staffs that are or will be needed at any given time.

Assess current levels and attributes of staffing and determine whether downsizing, redeployment is necessary.

### **3. 1 PURPOSE OF HUMAN RESOURCE MANAGEMENT POLICIES IN ORGANISATIONS**

Human resource policies in an organisation are established in order to make decisions that support the administrative personnel functions, performance management, employee relations and resources. These are guidelines that set up boundaries around decisions by which the organisation will be able to monitor, review and control its business strategies to be able to achieve its objectives. Policies enable for clarification, producing consistent managerial behaviour, reducing dependence on individuals, knowledge on current situations for organisations, and they help in devising action plans in responding to legal and other external pressures.

Human Resource Management Policies approach varies from one organisation to the other. However the areas within which policies are based are common grounds such as

Principles - gives management's view on employment in the organisation. Concerned with issues such as teamwork, innovation and opportunities, performance improvement, change management

Employee Relations - procedural matters in relation to workers and management. Involves the right of having Unions that act as representatives in negotiations, consultations safety matters etc

Terms and conditions - of employment. This relates to individual contracts of employment. Policies are being evolved to introduce greater varieties into contractual arrangements in attempts to improve manpower utilisation at the sometime providing more scope for employees to have flexibility in their personal working arrangements. This also covers

Control - this is the approach to matters regarding disputes, conflicts, and attitudes and work behaviours, such as

Staffing and Development - having or appointing the appropriate people, providing the opportunities for career growth and ensuring that employees develop their skills and capacities in line with the vacancies.

Equal Opportunities - these policies look into the interest of all employees, regardless of their physical, ethnic, religious backgrounds. It addresses the very issue of discrimination in work places.

The implementation of policies is the undertaken by management, by publishing or informing employees of these policies and how they are to be applied in relation to the workforces. Management must take time into ensuring that all policies are clearly stipulated and understood by all parties involved as this will make it easy for consistency in procedural methods that are to be followed. Upon implementation, there is need to monitor how well these policies are performing in regards to the organisation's objective. If an even it is felt changes need to be made in the procedures, then modifications can be made to try out other approaches.

## **3. 2 IMPACT OF REGULATORY REQUIREMENTS ON HUMAN RESOURCE**

### **POLICIES IN AN ORGANISATION**

All organisations must abide by some regulatory policies, as stipulated by the government in relation employers and employee relationships. The labour law of the United Kingdom has drawn up a number of regulations from as far back in the late 1960s, and these have since either been revised or improved all throughout the last 4 decades. The idea behind labour laws and regulations is to protect employees from being exploited or rather being made to work under slavery conditions.

British Airways like any other organisation has to abide by these regulations that include the following;

Employment Act 2008: - encompasses all key aspects of the UK employment laws. It aimed at increasing protection for vulnerable workers and easing the load for businesses to abide.

Employment Relations Act 2004: - concerned with collective labour laws and trade union rights. It allows for procedures to be adopted by recognising Trade Unions for employees for collective bargaining in events of disputes or dissatisfaction on the employee's side. This implements findings of the review of the Employment Relations Act of 1999.

Employment Rights Act 1996: - originally passed in 1990, deals with employee rights in regards to dismissal, reasonable notice before dismissal, time off, rights for parenting redundancy etc.

Equal pay Act 1970: – prohibits any less favourable treatment between men and women in terms of pay and conditions of employment.

Work and Family Act: – Aims to establish a balanced package of rights and responsibilities for both employer and employee and it sets out the following;

#### Maternity and Paternity Issues

Provides entitlement to four weeks leave, making it additional time equivalent to bank holidays

Provides a one off power to increase the maximum amount of a week's pay affecting compensation payments in connection with a particular, redundancy, unfair dismissal and insolvency

Helps employers manage the administration of leave and pay and plan ahead with greater certainty.

Disability Act – repealed and replaced by Equality Act 2010: – is concerned with discrimination against people in respect of their disabilities in relation to employment, the provision of goods and services, education and transport.

National Minimum Wages Act 1998: – Gives a standard range relating to remuneration of employees.

The EU Working Time Directive (2003/88/EC): – It allows for European Union workers to a minimum number of working hours, holidays per year, paid breaks and the rest of at least 11 hours in any 24 hrs work, while restricting excessive night work and a default to work not more than 48 hours per week. This was brought up due to the findings that there were a lot of work  
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related illnesses, stress and depression. It was devised to protect people's healthy and safety

Data Protection Act 1998: - The Act was set to make new provision for the regulation of processing information relating to individuals including obtaining, holding, and use of disclosure of such information.

In the case of British Airways, the impact of regulatory requirements on the Human Resource policies relates to the disputes that have gone on between management and staff over the years. Since November 2009, British Airways has been in dispute with its cabin crew, after what management is called Restructuring Plans. Management is making changes to staffing levels, pay and working conditions. Cabin crew numbers on all long-haul flights have since been reduced and a two-year pay freeze from 2010 was introduced on the date above (BBC news).

To negotiate, the employees have engaged the Union -UNITE, and so far there seem to be no conclusive deal that has been agreed upon yet. Last year saw, staff strike for about three times at different intervals within the year, in opposition to the terms that were being offered at the time (BBC News).

The above being the case, Human Resource policies and regulations enabled for the events that have been taking place in British Airways. Here, Employment Acts 2008, Employment Relations Act 2004, Employment Rights Act 1996 are in play and under which employees have the right to engaging arbitration from the UNITE, go on strikes and continue to demand for fair treatment and conditions of services.

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