

# Ethical and legal requirements of hr planning management essay



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First of all, Human resource planning (HRP), generally, has the same purpose over decades. One researcher pointed out that “ Human resource planning has traditionally been used by organizations to ensure that the right person is in the right job at the right time” (Jackson, 1990, p. 1). Another aim of HRP was quote from the department of social development, South Africa. One of the eight purposes in the report says that “ The Human Resource Plan therefore aims to ensure that the department recruits and retains the quality and quantity of staff that it requires” (Department of social development, 2008). Also in 2010, “ The purpose of HR planning is to ensure that a predetermined number of persons with the appropriate knowledge, skills and abilities are available at a specified time in the future” (Stone, 2010). As the given definitions above, it can be concluded that HRP is an analytic process and estimate human resource in the future in order to ensure that an organization has enough quality and quantity employees for the future tasks. HRP helps the organization implicitly knows that, in the particular time, the number of employee relates to the coming tasks is enough or not. If firms have too many employees (surplus), policies such as; stop recruiting; reduce casual and part-time employment; start early retirement and so forth, will take place in order to equate the quantity of employees and tasks. On the other side of the coin, if the numbers of employees are not enough (shortage); recruiting and selection; increasing overtime; increasing casual and part-time employment; accelerate training and development and other policies will take place. “ Training and development” is a good choice for the organizations. Commonly, firms prefer training facilities rather than recruiting because of some problems such as, financial, cost of time, and so on. Unfortunately, in some serious financial problem, firms have to decide to

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choose the unwanted decision, lay off some employees. For instance, in 1997, there was a serious financial crisis occurred in Thailand. The unemployment rate was increased from 3.2 percent in 1997 to 7.3 percent in 1998 (Morrison, 2003, p. 3). The increased of unemployment rate relates to three things. First, the decision of firms that they decide to reduce the quantity of employee because their income was decreased and some of the fired employees' salaries are high, in other words, the expenses are greater than income. As a result, they have to cut down their expenses by lay off some employees. Unfortunately, even though they fired some employees their operation income still remain constant or, worse, decrease (Zhang, et al., 2009, p. 17). The second relation of the high unemployment rate is the shutting down of many firms, especially the small firms. Because when these companies shut down, all employees who used to work in those firms are laid off. In 2009 study shows that 30%-50% of small businesses in Shenzhen, China, have closed down due to the crisis (Zhang, et al., 2009, pp. 14-15). As a result of this situation, people get harder to find a job because there is a very big difference between demand and supply of available jobs. The high unemployment rate also relate to the harder job finding. In the US study, the researcher found that " a large fraction of workers departing jobs move to new jobs without intervening unemployment" (Hall, 2005, p. 1)

The next area is the influence of the external environment in HR planning. Generally, the external environment has not much impact on the HR planning, but due to many factors such as, time changing, technology improvement, and so on. These factors have change the HR planning over, for instance, in the past, companies recruit people from areas those people

familiar with or just one degree qualification. But nowadays, those two factors are not enough anymore due to the very high of population, very wide of knowledge, and, again, financial situations. One research shows that in, India, microfinance (MFI) caught the fancy of development practitioners worldwide since early 1990's until further 2003 (Alok, 2006, p. 1). To understand the effect of MFI relate to recruitment, the author has classified MFI into typical, MFI-A and MFI-B. The recruitment of MFI-A situation, the author said that;

“ MFI-A has to recruit mostly its field staff, for which it advertises in the local newspapers. It conducts a written test, test of public speaking and group interview for selecting candidates. It has well-laid out criteria for the qualifications and experience for the field staff. Most of the field staffs selected have higher secondary qualifications while some of them may be with graduate degrees. Through, check on the background of the candidate is carried out before appointment letter is handed over to him/her.” (Alok, 2006, p. 4)

For the MFI-B, the author said that;

“ Most of the recruitments are carried out for the field staff. Advertisement in the local newspapers (60%) and the references from the existing staff (40%) are the major sources of manpower in MFI-B. Preference is given to the staffs who have previously worked with the MFI-B on one or more development projects. Recruitments are based on a written test and an interview. The organization does not have clear criteria for recruitment. There is hardly any

background check carried out of field staff to check their employment history.” (Alok, 2006, p. 6)

As the author mentions about MFI-A and B, there are some differences between recruiting system between those financial situations. One big difference is that MFI-A is 100% seeking staffs from the outside, while MFI-B seeking from the outside is only 60%. But the process of selection is the same which are a written test, and an interview. Another external environment that affects HRP is a culture. In situation nowadays that travelling across country is very easier than before. Many refugees have migrated themselves from their countries to the better country such as Australia. “ Since 1945, almost 5.5 million people have come to Australia from 170 countries ... The largest source of all settlers has been the United Kingdom and Ireland; New Zealand has been the second largest source country”(Batrouney, cited in Wood, 1998). As an effect of the migration Australia becomes a multicultural country. As a result, Australia has a large variety of cultures and it also effects to the Australian’s recruiting system. Because when these refugees apply for jobs in Australia, managers have to realize that these people are not Australians, they have difference culture and background. So, it becomes harder for managers to choose the right people for the right job. Because if managers do not understand these refugees’ cultures, “[managers] tend to favour people who are similar to [them]” said Professor Michael Morris, Columbia University School of Business, (cited in Kaminsky, 2002). Conversely, it would be easier if these refugees learn, understand, and use Australian culture because even though these refugees have different skin color, native language, religion, managers

may feel not much difference between them and the refugees. Hence, managers may also feel that these people are Australian citizens not people who escape from jeopardous countries.

The next area in this paper is the role of strategic HR planning in the realization of organizational strategic goals. In the past, HR planning was not contemplated as a part of the goals of organizations. However, as a result of higher marketing situation, seiner managers can find privilege of HR planning within the organizations (Australian National Training Authority, 2003, p. 2). In other words, HRP takes part in organizations' goals more than before. For instance, on the old age, when organization plans to increase their sales, increasing in working hour, recruiting more people, and so forth, tend to be more use. However, recently, when technology such as computer involves in more, employees in sales department don't need to out and trying to sell products anymore, all they need to do are; put more advertisements on the company's, and other, websites; pick up a telephone and call for new customers; et cetera. As a result, time saving, so these workers don't need to work overtime anymore, they have more time to spend with families. On the other hand, not every employee has abilities about using computer. As a result, new HRP was occurred, for instance, training remained employees how to use computer, or hire new employees who have abilities and use the new trains the existed. Furthermore, there are some examples shows when the strategic plans happened, what HRP should be considered. One example is if the objective is " move from centralized to decentralized services", some HRP would be considered such as; How will re-location of staff be managed?; Are adequate processes in place to manage

separation/termination? What new methods of communication for staff in outlying areas will be needed?, And so on (Australian National Training Authority, 2003, p. 4).

The last area that will be analyzed in this paper is the ethical and legal requirements of HR planning. Firstly, ethics is very important in HRM context because of dynamic and interrelated shifts in the organization of work: changes in international economies; changes at the national level in policy and institutional structures; and changes at an enterprise level in policies, systems and practices of employment (Karmar, Hollenbeck, & Wright, 2008, p. 564). Ethics relates to things that people act, or do, and those habits do not harm others. So, ethics of HRP means things that organization should do, provide, to all employees and managers in order to fulfil their job satisfactions, happy and willing to work. There are researchers divided ethics into three standards. Those standards, and examples, are;

“ Standard 1: Advance the organization’s objective. Execute the task in question so that progress is made towards to objective that calls for it to be done in the first place.

Standard 2: Enhance the dignity of those harmed by action. When managers distribute opportunities and benefits, there are those who do not receive those opportunities and benefits-or who receive fewer than others. When companies go through cycles of destruction, restructuring, downsizing, individuals get harmed. In both instances, those who lose out are due treatment that respects their standing, fosters their resilience, and enables them to continue to function effectively.

Standard 3: Sustain the moral sensibility of those executing morally ambiguous tasks. Someone must deliver the poor performance appraisal, announce the lay-off, or shutter the manufacturing facility. The ambivalence induced in performing these tasks reflects an underlying uneasiness about fair treatment and fair outcomes, and managers ought to remain attuned to that uneasiness." (Margolis, Grant, & Molensky, 2010, p. 5)

Secondly, legal requirement of HR planning may means