

Strategic workforce planning and employment decisions



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Strategic Workforce Planning involves analyzing and forecasting the talent that companies need to execute their business strategy, proactively rather than reactively, it is a critical strategic activity, enabling the organization to identify, develop and sustain the workforce skills it needs to successfully accomplish its strategic intent whilst balancing career and lifestyle goals of its employees.

Strategic Workforce Planning is a relatively new management process that is being used increasingly to help control labour costs, assess talent needs, make informed business decisions, and assess talent market risks as part of overall enterprise risk management. Strategic workforce planning is aimed at helping companies make sure they have the right people in the right place at the right time and at the right price

Through Strategic Workforce Planning organizations gain insight into what people the organization will need, and what people will be available to meet those needs. In creating this understanding of the gaps between an organization's demand and the available workforce supply, organizations will be able to create and target programmes, approaches and develop strategies to close the gaps.

Steps in Workforce Planning

1. Environment Scan

ENVIRONMENT SCANNING is a form of business intelligence. In the context of Workforce Planning it is used to identify the set of facts or circumstances that surround a workforce situation or event.

2. Current Workforce Profile

Current State is a profile of the demand and supply factors both internally and externally of the workforce the organization has ' today'.

3. Future Workforce View

View is determining the organization's needs considering the emerging trends and issues identified during the Environment Scanning.

Future View is often where the different approaches identified above are applied: Quantitative futuring: understanding the future you are currently tracking to by forecasting; Qualitative futuring: scenario planning potential alternative futures in terms of capabilities and demographics to deliver the business strategy.

4. Analysis and Targeted Future

Qualitative and quantitative futuring creates the content for an organizational unit to analyse and identify critical elements. As the critical elements are identified the Targeted Future begins to take form. The targeted future is the future that the organization is going to target as being the best fit in terms of business strategy and is achievable given the surrounding factors (internal/external, supply/demand).

5. Closing the Gaps

Closing the gaps is about the people management (human resources) programs and practices that deliver the workforce needed for today and

tomorrow. The process is about determining appropriate actions to close the gaps and therefore deliver the targeted future.

There are 8 key areas that Closing the Gaps needs to focus on –

1. Resourcing,
2. Learning and Development,
3. Remuneration,
4. Industrial Relations,
5. Recruitment,
6. Retention,
7. Knowledge Management,
8. Job design.

Strategy Development

Develop strategies for workforce transition.

Basic Information to Include in the Workforce Plan:

- List specific goals to address workforce competency gaps or surpluses
(may include the following):
- Changes in organizational structure
- Succession planning
- Retention programs
- Recruitment plans
- Career development programs
- Leadership development
- Organizational training and employee development

Understand how the legal and organisational frameworks for employment of staff

Evaluate the current legal requirements influencing a HR plan

Describe a process for recruitment and selection of new staff (external candidates) that complies with current legislation and organisational requirements

Ans2

Human resources are the participants as also the beneficiaries of economic development process. In that, human resources figure on the demand as well as the supply side of production of goods and services in the economy. On the demand side, goods and services produced are used by the human beings to alleviate poverty, improve health, generate better living conditions, enhance general educational levels and provide better facilities for training. Utilisation of goods and services thus leads to an improvement of quality of human resources. On the supply side, human resources and capital form essential ingredients of production systems which transform natural and physical resources into goods and services.

Complementarily between human resources and capital is so close that optimal increases in output and hence optimal economic growth is not possible through increases in one of them – either human resources or capital – at the cost of the other. “ Some growth of course can be had from the increase in more conventional capital even though the labour that is available is lacking both in skill and knowledge. But the rate of growth will be seriously limited. It simply is not possible to have the fruits of modern

agriculture and the abundance of modern industry without making large investments in human beings". There is an optimal ratio of human resources to capital which has to be maintained to reach the attainable rate of economic growth.

Given the endowment of capital and other material resources, human resources could accelerate the production process and hence economic growth. At the same time, unprecedented growth in human resources, disproportionate to the pattern of accumulation of capital and other material resources – could hinder development.

Rate of growth in human resources, in turn, is determined by the two dimensions of human resources: Quantity and Quality. Quantity of human resources is determined by variables such as:

- population policy,
- population structure,
- migration, and
- labour force participation.

Quality of human resources, on the other hand, is influenced by the status of variables like:

- education and training
- health and nutrition, and
- equality of opportunity.

In this Unit we will take into account the two dimensions of human resources: Quantity and Quality in context of HRP in general and also in tourism.

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1. QUANTITATIVE DIMENSIONS OF HUMAN RESOURCE PLANNING

Human resources viewed as the productive power of human beings constitute only one of the two parts of population of any economy. The other being the human beings without any productive power.

Population

Population of a country, in a generic sense, is taken as constituting the totality of all human beings of the country. The concept of population, viewed in this manner, appears to be very simple. However, in reality, the definitions used vary not only from country to country but even within a country depending on the purpose of enquiry. Broadly, the definitions of population used may be categorised into de facto and de jure.

A de facto (or present-in-area) concept involves complete count of all persons – residents and non-residents alike – physically present in the country at the time of enumeration.

A de jure concept necessitates complete count of all persons considered to be normal residents of the country, irrespective of where each person is located, at the time of the census.

Strict conformity to either of these concepts is not possible because of difficulties in enumeration like:

- nationals living abroad,
- nomadic population,
- inhabitants in extremely remote areas, and

- population in disturbed areas.

Added to this, are the administrative difficulties – logistic, financial and human – of recording everyone at the same time. There is thus a degree of inaccuracy in the census of population of any country. The greater the number to be counted and/or the larger the area to be covered the larger is the degree of inaccuracy.

Human resources being an integral part of population, growth of human resources is naturally dependent on the growth of population.

Population growth, in turn, is determined by three factors: Population policies, population structure and migration.

a) Population Policies

In terms of State intervention in population planning, it is useful to distinguish between population influencing policies and population responsive policies. The former are anticipatory in nature and operate through the demographic sub-system by influencing factors primarily responsible for population growth such as fertility, marriage and mortality. The latter are essentially reactive in character which are often implemented through the socio-economic sub-system to accommodate or adjust to observed demographic trends with the help of programmes like health, nutrition, education, housing, transport network expansion and employment promotion.

In an over-populated economy, sufficiently robust population influencing policies along with appropriate population responsive policies

(complementary in nature) might be the optimal population policy framework. In any case, understanding the structure and pattern of growth of population is essential for evolving an appropriate combination of population influencing and population responsive policies towards achieving an optimal population policy framework.

b) Population Structure

Population is a dynamic concept. Consequently, structure or composition of population at any point of time reveals two things: First, it is the result of interaction in the past among factors causing population growth. Second, it reveals the potential for future growth in population. In so far as population growth is concerned, there are two aspects of population composition which are most important: Sex composition and age composition:

i) Sex Composition

The principal measure of sex composition is the sex ratio – defined as the number males per 100 females. In other words:

Number of males in the population

$$\text{Sex ratio} = \frac{\text{Number of males}}{\text{Number of females}} \times 100$$

Number of females in the population

One hundred is the point of balance between males and females. A sex rate above 100 denotes an excess of males. Likewise, a sex ratio below 100 indicates an excess of females. In general sex ratios tend to range between

95 to 102. Heavy war losses, heavy migration and local social considerations such as female infanticide may upset the sex ratio. In any case a sex ratio outside the range of 90 to 105 is to be viewed with suspicion.

Starting point for all population projections is the projection of female population on whom crucially the number of births will depend. Higher the female population, higher will be the number of births and hence the higher will be the population growth. Sex composition thus indicates the potential future growth in population.

ii) Age Composition

Age composition is the distribution of population by age groups – usually five year age groups. Age composition at any given point of time is the result of past trends in fertility and mortality and is also the basis for establishing future trends.

In the computation rate of growth of population, future births are usually computed by applying five year age specific fertility rates to the women of child bearing age (10 to 49 years) at the midpoint of each five-years time interval.

Data on age composition is also useful in the computation and analysis of labour supply. Economically active age-group is considered to be 15 to 65 years. Population in the age group crucially determines the extent and composition of labour force.

c) Migration

Age and sex composition are indicative of only the natural growth in population. Another factor which causes changes in population is the net migration. If the net migration is positive, the population grows at a rate faster than that indicated by natural growth. On the contrary, if the net migration is negative it causes decline in the rate of growth indicated by the natural growth.

Movements from and to other regions within the country are termed as out-migration and in-migration, respectively, and these movements together are known as internal migration. Data on internal migration are useful, when it is intended to analyse population changes at provincial level or some other administrative level. Internal migration is a function of the inter-regional and inter-sectoral rates of growth and wage differentials.

Movement across national boundaries causes changes in the population at the national level. The effect of international migration on the national population is measured by the rate of net-migration defined as:

Total immigrants - Total emigrants

Rate of net migration = $\frac{\text{Total immigrants} - \text{Total emigrants}}{\text{Mid-year population}} \times 1000$

Mid-year population

Rate of population increase at any point of time equals the rate of natural increase plus the rate of net migration.

Labour Force Participation

Population change as such do not cause changes in human resources. Rather it is the change in the economically active component of population which affects growth in the human resources. In terms of economic activity classification, population may be divided into workers and non-workers.

Worker is defined as a person whose main activity is participation in economically productive work by his or her mental or physical presence. Work involves not only actual work but also effective supervision and direction. Workers thus defined, others in the population are considered as non-workers. For the purpose of elaboration non-workers may be categorised as:

- full-time students,
- persons engaged in household duties,
- infants and dependents doing no work,
- retired persons and renters living on rent on an agricultural or non-agricultural royalty,
- beggars, vagrants and others with unspecified sources of income,
- inmates of penal, charitable and mental institutions,
- unemployed but available for work, and others.

Labour force or economically active population is that segment of the population whose function is to produce goods and services demanded by the whole population. Usually, those aged 15-64 years are considered to be in the productive age-group. However, not everyone in the productive age-group is effectively in the labour force. According to the accepted definition,

labour force comprises all persons of either sex who furnish the supply of labour available for the production of economic goods and services including:

- employers,
- employees,
- self-employed persons, and
- those engaged in family enterprises without pay.

In other words, labour-force may be defined as comprising workers and non-workers in the productive age-group who are 'unemployed but available for work'. Labour-force participation rate is then defined as

Labour force

Labour force participation rate = $\frac{L}{P} \times 100$

Total population

Tourism

In the case of international or domestic tourism it is not just the labour force that participates in the production of goods and services but the entire host population of the destination has a role to play. This is because besides the economic activity, attitudes of the host population matter a lot in creating an environment which is tourist and tourism friendly. There are destinations where the population plays host to tourists numbering four times more than its own numbers and each and every member of the population has some role in this regard - a friendly smile too has a role. Many countries and destinations have earned a brand image in hospitality. Hence, human resource planners lay stress on creating tourism awareness including do's

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and don'ts vis-à-vis tourists for the entire host population. Moreover, there are destinations where, quantitatively speaking, the whole population is involved in tourism both, directly as well as through indirect employment. But beyond a point, it is the qualitative dimension that matters and converting quantity into quality is the real challenge in HRD.

While the quantitative dimensions assist in the analysis of human resources in terms of numbers, qualitative dimensions facilitate assessment and analysis of the productive power in human resources. For example, four hundred drivers may be available to a tourist transport operator but he may find only 20 out of these which meet the quality standards in relation to driving skills required for handling tourist coaches.

i) Education and Training

Education and training are the most dominant dimensions affecting quality of human resources in terms of knowledge and skills. Education and training serve both individual and social ends. To an individual, it has both vocational and cultural significance in achieving economic emancipation and social up gradation. To the society, education and training are means which make possible to take advantage of technological changes as well as furthering technological progress.

Depending on the methods of imparting knowledge and skills, education and training may be classified into two types: Formal and Informal. Formal education and training, which is imparted through schools and colleges, emphasises transfer of knowledge. Informal education and training such as

on-the-job training and hereditary training lays stress on transfer of skills, i. e., practical application of knowledge.

Education and training as a means of human resources planning involve critical choices, as no country can have all education and training. Rather, it is essential to identify priorities in education and training, emphasise programmes which have high priority and tone down or even discard programmes with a low priority. As far as development of education and training is concerned there are six choice areas which are critical:

- Choice between levels of education such as primary, secondary and higher education.
- Choice between quality and quantity in education and training.
- Choice between science and technology on the one hand, and humanities and liberal arts on the other hand.
- Choice between market forces and incentives to attract people into some occupations.
- Choice between the aspirations of individuals and needs of the society.

ii) Health and Nutrition

Health and nutrition status constitutes one of the most important indicators of quality of human resource, as they contribute significantly to building and maintaining a productive human resource as well as improving average expectation of life and quality of life.

There are three determinants of health status:

- Purchasing power of people.

- Public sanitation, climate and availability of medical facilities.
- People's knowledge and understanding of health hygiene and nutrition.

Education, health and nutrition are inter-linked and they complement each other in the process of human resources development.

iii) Equality of Opportunity

Investments in human resources development do not always ensure proportionate development of all sections of population. In the absence of deliberate policy intervention, there are bound to be discriminations. We can say that there are three distinct forms of discriminations which are relevant to developing nations:

Social discrimination may take either the form of sex discrimination or discrimination among different social groups or both. For example, a few years back the air hostesses of a particular airlines petitioned in the court because their retirement age was earlier than of their male counterparts. The court upheld their petition and now the retirement age of both male and female air hostesses is same.

Economic discrimination takes place largely among groups of population belonging to different economic strata classified in terms of either income generating assets.

Regional discrimination can be in the form of either discrimination between rural and urban population or discrimination among population belonging to different regions.

These three forms of discriminations individually and/or jointly lead to inequality of opportunities of varying degree among different sections of population.

Discrimination of any form causes differential access to education and training, and health and nutrition. This in turn leads to differences in quality and productivity of human resources belonging to different segments of the population – with the privileged benefiting the most and under privileged being deprived of their due share in the development process.

Opportunity costs of discrimination are very high, as it leads to many social and economic evils apart from retarding the pace of economic development. It has been demonstrated that the national output can be further expanded by improving the average level of productivity of each individual through appropriate social and economic policies directed towards equality to opportunity in the fields of education and health.

Tourism has long been recognised as a tool for economic growth and development. However, it can be beneficial to the host economies when it creates jobs for the locals. Here qualitative dimensions of HRD become an important factor for education and training of local population as per the requirements of responsible tourism development.

The dimensions, attributes and distribution of population the product of whose labour adds to national wealth constitute human resources. They are thus, the participants and beneficiaries of economic development. The demographic profile, migration and mobility and participation patterns in economic activity determine the quantitative aspects of actual and potential

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human resources. Investments in education and training, health and nutrition, and social welfare and quality promote quality of human resources through enhanced labour productivity.

While quantitative and qualitative dimensions only regulate supply of human resources, the other aspect of human resources planning namely the demand for human resources crucially depends on the functioning and flexibility of labour markets. Labour market analysis is a principal instrument of human resources planning, as it helps identify skill shortages and also enables a diagnosis of market failure to match labour supply with demand. To facilitate labour market analysis, there is a need for a comprehensive and regularly updated labour market information system.

1) The variables for determining the quantitative and qualitative dimension of human resource planning are:

Quantitative

- Population policy,
- Population structure,
- Migration, and
- Labour force participation.

Qualitative

- Education and training,
- Health and nutrition, and
- Equality of opportunity

Understand the effect of the organisation environment on staff

Discuss

Assess work life balance issues and the changing patter of work practices

Importance of HR PLANNING in organizations.

1. Each Organisation needs personnel with necessary qualifications, skills, knowledge, experience & aptitude .
2. Need for Replacement of Personnel – Replacing old, retired or disabled personnel.
3. Meet manpower shortages due to labour turnover
4. Meet needs of expansion / downsizing programmes
5. Cater to Future Personnel Needs
6. Nature of present workforce in relation with Changing Environment – helps to cope with changes in competitive forces, markets, technology, products and government regulations.

Shift in demand from ERP to internet programming has increased internet programmers

- i) quantify job for producing product / service
- ii) quantify people & positions required
- ii) determine future staff-mix
- iii) assess staffing levels to avoid unnecessary costs
- iv) reduce delays in procuring staff

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v) prevent shortage / excess of staff

vi) comply with legal requirements

In organisational development, succession planning is the process of identifying and preparing suitable employees, through mentoring, training and job rotation, to replace key personnel within an organisation if they leave.

All employers need to consider the issue of succession planning to ensure that no part of the business is at risk should a particular member of staff leave the organisation.

With good succession planning, employees are ready for new leadership roles as the need arises. Moreover, when someone leaves, a current employee is ready to step up to the plate. In addition, succession planning can help develop a diverse workforce, allowing decision makers to look at the future make-up of the organisation as a whole.

Develop a succession plan for internal replacements, and if you will need to hire, think about the type of person or skills you will need so that if the situation arises you have already done some of the groundwork.

In your succession plan you may wish to consider:

- staff interchange – where employees swap jobs within the organisation in order to have experience in multiple positions;
- formal or informal mentoring arrangements;
- coaching of staff;

- identification of suitable professional development activities for high-performing staff;
- making agreements to introduce flexible working arrangements;
- creating forward-thinking internal promotion policies;
- supporting staff to take increased responsibility;
- the allocation of higher-grade duties or assignments.

Understand the grievance, discipline and dismissal process

Identify the process to be followed in a grievance situation

Describe the stages of a discipline issue that results in dismissal

Explain the role of ACAS, Employment tribunals and other external agencies that could be involved in grievance, discipline and dismissal processes

Process Steps

There are four main grievance process steps: discovery, conciliation, internal review and arbitration. A summary of what happens at each of these step appears below. Click on a link here, or at the bottom of the page, to see a full discussion of what happens at that step in the grievance process.

Discovery

The date when the grieving faculty member (grievant) discovered, or reasonably could have discovered, the circumstances leading to the grievance.

Conciliation

The informal, confidential effort to resolve the grievance between the faculty member and the Board at the lowest possible administrative level before a formal grievance can be filed. This effort is normally assisted by a FA-appointed campus conciliator.

Internal Review Hearing

An informal meeting scheduled by the college president, or the president's designee. The president listens to the grievant, the responding administrator and their representatives as they address the allegations contained in a timely Notice of Grievance that has been filed with the District. The president writes an Internal Review Hearing decision regarding the Notice of Grievance allegations.

Arbitration Hearing

A formal hearing before an arbitrator chosen from a list of seven possible candidates supplied by the State Conciliation Service. Legal counsel represents both parties and all testimony by witnesses is under oath. After reviewing evidence, testimony and argument briefs from both parties, the arbitrator renders a written decision that is binding on both parties.

Disciplinary and grievance procedures provide a clear and transparent framework to deal with difficulties which may arise as part of their working relationship from either the employer's or employee's perspective.

They are necessary to ensure that everybody is treated in the same way in similar circumstances, to ensure issues are dealt with fairly and reasonably,

and that employers are compliant with current legislation and follow the Acas Code of Practice for handling disciplinary and grievance issues.

Disciplinary procedures are needed:

- So employees know what is expected of them in terms of standards of performance or conduct (and the likely consequences of continued failure to meet these standards).
- To identify obstacles to individuals achieving the required standards (for example training needs, lack of clarity of job requirements, additional support needed) and take appropriate action.
- As an opportunity to agree suitable goals and timescales for improvement in an individual's performance or conduct.
- To try to resolve matters without recourse to an employment tribunal.
- As a point of reference for an employment tribunal should someone make a complaint about the way they have been dismissed.

Grievance procedures are needed:

- To provide individuals with a course of action should they have a complaint (which they are unable to resolve through regular communication with their line manager).
- To provide points of contact and timescales to resolve issues of concern.
- To try to resolve matters without recourse to an employment tribunal.

The legal position

The statutory procedures for handling discipline and grievance issues

introduced in October 2004 were widely criticised and were repealed in their <https://assignbuster.com/strategic-workforce-planning-and-employment-decisions/>

entirety with effect from 6 April 2009. (Those in Northern Ireland should note that the Employment Act 2008, which repealed the statutory procedures, is not applicable there – the Department for Employment and Learning has published detailed guidance

From 6 April 2009 the important provisions governing discipline and grievances at work are to be found in:

- The Employment Act 2008
- The Employment Tribunals (Constitution and Rules of Procedure) (Amendment) Regulations 2008.

Numerous other pieces of legislation cross refer to discipline and grievance issues. Some important examples include the:

- The Employment Rights Act 1996 as amended
- The Employment Rights Dispute Resolution Act 1998
- The Employment Relations Act 1999
- The Employment Rights Act 2004.

Employers' own disciplinary, grievance and dismissal procedures and the Acas Code of Practice are essential to ensure that good dispute handling behaviour is adopted.

The role of the Acas Code of Practice

The Acas Code of Practice Disciplinary and Grievance Procedures was revised to reflect the removal of the statutory procedures and a new version¹ came into force on 6 April 2009. CIPD endorses the Code. Following it is crucially important for employers: an employment tribunal will consider whether the

employer has followed the Code and, if they have not, then the tribunal may adjust any awards made by up to 25% for unreasonable failure to comply.

In situations where the trigger event occurs on or after 6 April 2009, an employment tribunal will consider whether the employer has followed the Acas Code and, if they have not, then the tribunal may adjust any awards made by up to 25% for unreasonable failure to comply.

CIPD members can find out more on the content of the Code, the legal aspects of this topic and likely future developments from our FAQ on Discipline and grievances procedures in the Employment Law at Work area of our websi