

Case study on hr planning

Education



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BUSTER**

Ms. Barnacles has an MBA-Human Resources Management from Winston Churchill University and has been instrumental in formalizing the institution's human resources' policies and procedures. Occupancy rates in the hospital had run between 76 and 82 percent from 1987 to 2012. However, since then, occupancy has fallen to 57 percent. Such declines have not been unusual for this industry during this period due to the emphasis of on outpatient services and increasing competition.

However, the decline in occupancy rate has affected this hospital revenues to such an extent that it ran a deficit for the first time last year. The only response to these changes thus far has been a tightening of requirements for equipment or supply purchases. At the most recent quarterly meeting of the Board of Directors on July 31, 2013, Dr. Imides Gigantic presented the rather bleak financial picture. The projected deficit for 2013 was \$3,865,000.00 unless some additional revenue sources were identified or some additional savings were found.

The Board's recommendation, based on the immediate crisis and need to generate short-term saving, was that employee layoffs were the only realistic alternative. They recommended that Dr. Imides Gigantic consider laying-off up to 10 percent of the hospital's employees with an emphasis on those in "non-essentials" areas. Dr. Gigantic responded that the hospital employees had never been laid off in the history of the institution. Moreover, she viewed the employees as part of the "family" and would have great difficulty in implementing such lay-off.

Nevertheless, since she had no realistic short-term alternative for closing the "revenue gap", she reluctantly agreed to implement the layoff policy which would be as fair as possible to all employees, with guarantee of reemployment for those laid off, and to find additional revenue sources so that layoffs would be unnecessary in the future. DRP Gigantic called Tees Barnacles into her office the next morning, shared her concerns, and asked her to prepare both a short-term plan to save PH over next year through employee lay-offs as well as long-term plan to avoid layoffs in the future.

Her concerns were that the layoffs themselves might be costly in terms Of lost investment in some of the laid-off employees, lost efficiency, potential lawsuits, and lower morale. She was concerned that the criteria for the layoff not only be equitable, but also appear to be equitable to the employees. She also wanted to make sure that those being laid off received adequate" notice so they could make alternative plans or so the hospital could assist them with finding alternative employment.

Since the hospital has no previous experience with employee layoffs and no union contract constraints, her feeling was that both seniority and job performance should be considered in determining who would be laid off. Tees knew the hospital's performance appraisal system was inadequate and needed to be revamped. While this task was high on her "to do" list, she also knew she had to move ahead with her recommendations on layoffs immediately. The present reference appraisal system uses a traditional checklist rating scale with summary rating.

Since there is no forced distribution, the average ratings of employees in different departments varies widely. Exhibit 2. 1 . Shows the summary ratings of employee's in each department. Most supervisors in all departments rate most of their subordinates either " satisfactory' or " outstanding. " Tees has done a quick review of those employees whose over-all ratings Were " unsatisfactory" or " questionable". Most are employee's with less than three years of seniority, whereas, the " satisfactory" employee has worked for Sat. Filament approximately seven years. Tees is preparing to submit her recommendations to DRP.

Gigantic and has come to YOU, HER Consultant, for advice. Exhibit 2. 2 provides a summary of the distribution of employees and payroll expense by department for the most recent year. Questions: 1. Identify the major problem or problems and their causes. 2. What are some alternatives for dealing with these problems? For example is it possible to avoid layoffs through the use of attrition? 3. Develop a plan for implementing employee layoffs over the next year which will generate 3 million pesos is savings. Give specific details concerning apartments affected, the use of seniority versus merit, the amount of notice, and out-placement activities.