

EFFECTIVE HUMAN RESOURCE PLANNING IN RECESSIONARY PHASE

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INTRODUCTION:

The planning of HR is an integral part of how an organization is going to achieve its mission, by ensuring that the right people, with the right skills and knowledge are in the right positions to deliver on the organization's mission. Human resource management (HRM) planning is located within the organization's overall planning process.. HR planning is a dynamic process that involves analyzing an organization's HR requirements necessary to achieve its mission, strategies, goals, and objectives within a continuously changing environmental context. Planning aims to achieve the desirable workforce balance and mix through integrated HR practices such as job analysis and design, staffing, learning and development, and evaluation. An overview of the HR planning process, as a system of demand and supply forecasting, goal setting and strategic planning, identification of gaps between current and forecast requirements, development and implementation of HR programmes and evaluation, is presented The planning process is a complex combination of assessment of the organization' internal and external environment and mapping of the HR requirements to meet current needs and future projections.

INTEGRATION OF HUMAN RESOURCE PLANNING WITH BUSINESS PLANS & OBJECTIVES:

Contemporary human resource planning occurs within the organizational and business planning. It involves forecasting the organization's future human resource needs and planning for how those needs will be met. It includes establishing objectives and then developing and implementing programs (staffing, appraising, compensating, and training) to ensure that people are available with the appropriate characteristics and skills when and where the organization needs them. It may also involve developing and implementing programs to improve employee performance or to increase employee satisfaction and involvement in order to boost organizational productivity, quality, or innovation. Finally, human resource planning includes gathering data that can be used to evaluate the effectiveness of ongoing programs and inform planners when revisions their forecasts and programs are needed. Because a major objective of planning is facilitating an organization's effectiveness, it must be integrated with the organization's short-term and longer term business objectives and plans.' Increasingly this is being done in leading organizations, although in the past business needs usually defined personnel needs and human resource planning, which meant that planning became a reactive process.

GAINING COMPETITIVE ADVANTAGES THROUGH EFFECTIVE HUMAN RESOURCE PLANNING - MODELS, TECHNIQUES & STRATEGIES:

Today more than ever, organizations must capitalize on a changing business environment, improve profitability and overall productivity, formulate and implement a planning process and make better strategic decisions. Perhaps the most striking change in Human Resource

Management today is its increased involvement in human resource planning, while developing and implementing the company's strategy (the company's long-term plan for how it will balance its internal strengths and weaknesses with its external opportunities and threats to maintain a competitive advantage). The concept of human resource planning takes an added significance, therefore, the firms build their competitive advantage around their people. However, there are several basic trends, which pose a threat to the accuracy and validity of human resource planning predictions, and which prove to be important factors in determining the strategic direction of most firms today.. More globalization means more competition and more competition means more pressures to improve the quality of the business sector that is; lowering costs to make employers more productive, and to find new ways of achieving cost-effectiveness while creating an avenue for doing things in better and more dynamic ways. Similarly, the Internet and). For this purpose, increased attention has been given to the Human Resource Planning process: from the input stage, through analysis, forecasting, and implementation to evaluation and redesign of the Human Resource Plan."

1. A Model for Describing Human Resource Planning:

There are activities engaged in by human resource planners in leading organizations. Four phases of human resource planning: (a) gathering and analyzing data to forecast expected human resource demand, given business plans for the future, and to forecast future human resource supply; (b) establishing human resource objectives; (c) designing and implementing programs that will enable the organization to achieve its human resource objectives; and (d) monitoring and evaluating these programs Activities related to the four phases of human resource planning are described for three different time horizons: short term (up to one year), intermediate term (two to three years), and long term (more than three years)..Although the four phases of human resource planning are conceptually the same regardless of the time horizon, there are practical differences in the operationalization of the four phases as the time horizon is extended. Therefore, we describe the activities related to planning for each time horizon separately and in turn, beginning with short-term planning. Short term planning horizon because historically the activities of many organisational psychologists have been carried out for the purpose of achieving short term objectives. As organizations and organisational psychologists began to recognize the potential benefits of engaging in long term planning, however, consideration of long term issues became more common. Many organisational psychologists are now engaged in activities designed to prepare organizations for the 21st century. The phases of human resource planning activities according to three time horizons, organizations segregate their planning activities in this fashion. The reality is that organizations must integrate their activities across the four planning phases as well across all three time horizons,

2. Workforce Competency Model:

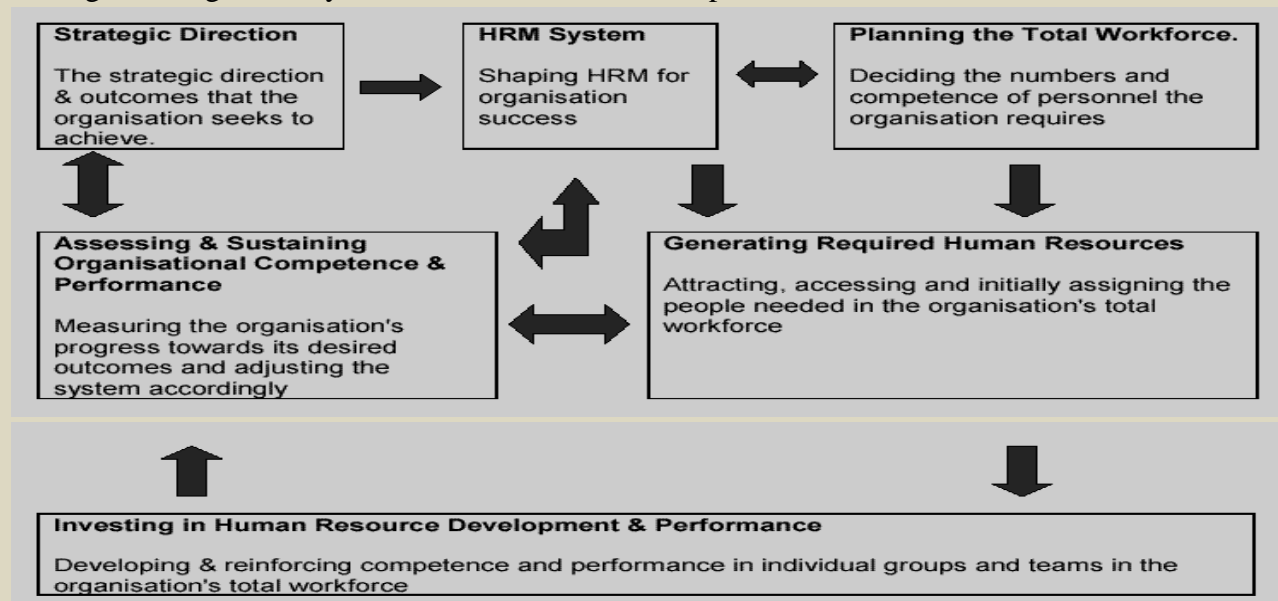
Analysis of present workforce competencies; an identification of competencies needed in the future; a comparison of the present workforce to future needs to identify competency gaps and surpluses; the preparation of plans for building the workforce needed in the future; and an evaluation process to assure that the workforce competency model remains valid and that

objectives are being met. The model consists of four planning steps: supply analysis, demand analysis, gap analysis, and solution analysis, plus an ongoing evaluation step.

Supply analysis focuses on identifying organisational competencies, analyzing staff demographics, and identifying employment trends. Demand analysis deals with measures of future activities and workloads, and describing the competency set needed by the workforce of the future.. Gap analysis is the process of comparing information from the supply analysis and demand analysis to identify the differences - “the gaps” - between the current organizational competencies and the competency set needed in the future workforce. The comparison requires the competency sets developed in the supply analysis and demand analysis phases to be comparable not independently developed. Gap analysis identifies situations in which the number of personnel or competencies in the current workforce will not meet future needs (demand exceeds supply) and situations in which current workforce personnel or competencies exceed the needs of the future (supply exceeds demand). Solution analysis is the process of developing strategies for closing gaps in competencies and reducing surplus competencies.. The two key elements in identifying competencies are workforce skills analysis and job analysis. Workforce skills analysis is a process which describes the skills required to carry out a function. Job analysis collects information describing successful job performance.

3. A strategic human resource planning model

There is no single approach to developing a Human Resources Strategy. The specific approach will vary from one organization to another. Even so, an excellent approach towards an HR Strategic Management System is evident in the model presented below.



Source: A Strategic Human Resource Management System for the 21st Century. Naval Personnel Task Force, September 2000

This approach identifies six specific steps in developing an HR Strategy:-

1. Setting the strategic direction.
2. Designing the Human Resource Management System.

3. Planning the total workforce.
4. Generating the required human resources.
5. Investing in human resource development and performance.
6. Assessing and sustaining organizational competence and performance.

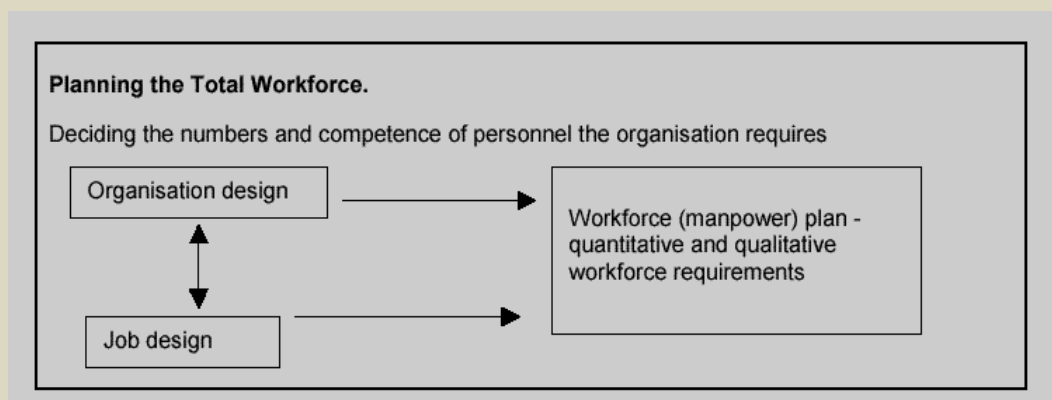
The six broad interconnected components of this system consist of three planning steps and three execution steps.

The top three components represent the need for planning. Organizations must determine their strategic direction and the outcomes they seek. This is usually accomplished with some form of strategic planning. Classic strategic planning is a formal, top-down, staff-driven process. When done well, it is workable at a time when external change occurs at a more measured pace.

However as the pace and magnitude of change increases, the approach to strategic planning changes substantially:

- First, the planning process is more agile; changes in plans are much more frequent and are often driven by events rather than made on a predetermined time schedule.
- Second, the planning process is more proactive. Successful organizations no longer simply respond to changes in their environment, they proactively shape their environment to maximize their own effectiveness.
- Third, the planning process is no longer exclusively top-down; input into the process comes from many different organizational levels and segments. This creates more employee ownership of the plan and capitalises on the fact that often the most valuable business intelligence can come from employees who are at the bottom of the organizational hierarchy.
- Lastly, the strategic planning process less reactive and more driven by line leadership.

PLANNING THE TOTAL WORKFORCE



Determining future business requirements, especially those relating to manpower requirements, represents one of the most challenging tasks facing human resource practitioners.

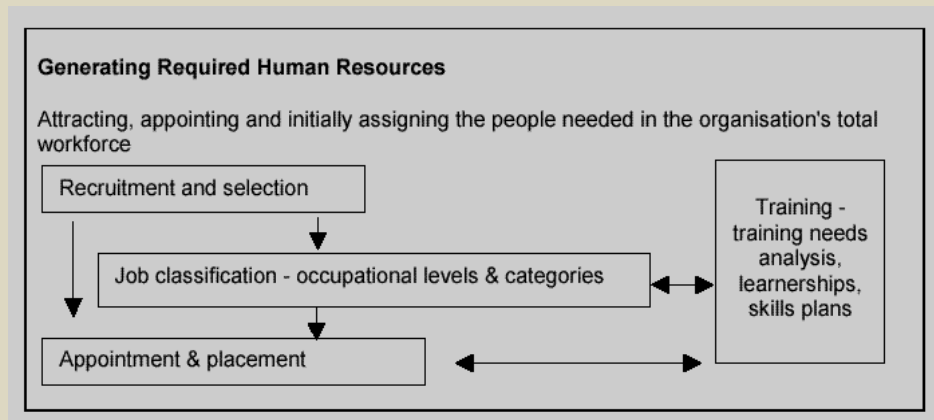
Workforce planning is a systematic process of identifying the workforce competencies required to meet the company's strategic goals and for developing the strategies to meet these requirements. It is a methodical process that provides managers with a framework for making human resource decisions based on the organization's mission, strategic plan, budgetary

resources, and a set of desired workforce competencies. Workforce planning is a *systematic process* that is integrated, methodical, and ongoing. It identifies *the human capital required to meet organisational goals*, which consists of determining the number and skills of the workers required and where and when they will be needed. Finally workforce planning entails *developing the strategies to meet these requirements*, which involves identifying actions that must be taken to attract (and retain) the number and types of workers the organisation needs. A workforce plan can be as simple or as complex as the organization requires. Workforce planning can be conducted for a department, division or for the organisation as a whole. Whatever the level or approach being adopted, it must nevertheless be integrated with broad-based management strategies. In addition to workforce planning, ensure that organisational structure and jobs ensure the efficient delivery of services and effective management of the organisation as a whole.

Actions:

- Determine the appropriate organisational structure to support the strategic objectives.
- Structure jobs (competencies, tasks and activities) around key activities.
- Develop a workforce plan designed to support the organisations strategic objectives.
- Compile workforce profiles, identifying designated groups, an inventory of current workforce competencies, competencies required in the future and identified gaps in competencies.

GENERATING THE REQUIRED HUMAN RESOURCES



This process focuses on recruiting, hiring, classifying, training and assigning employees based on the strategic imperatives of the organisation's workforce plan.

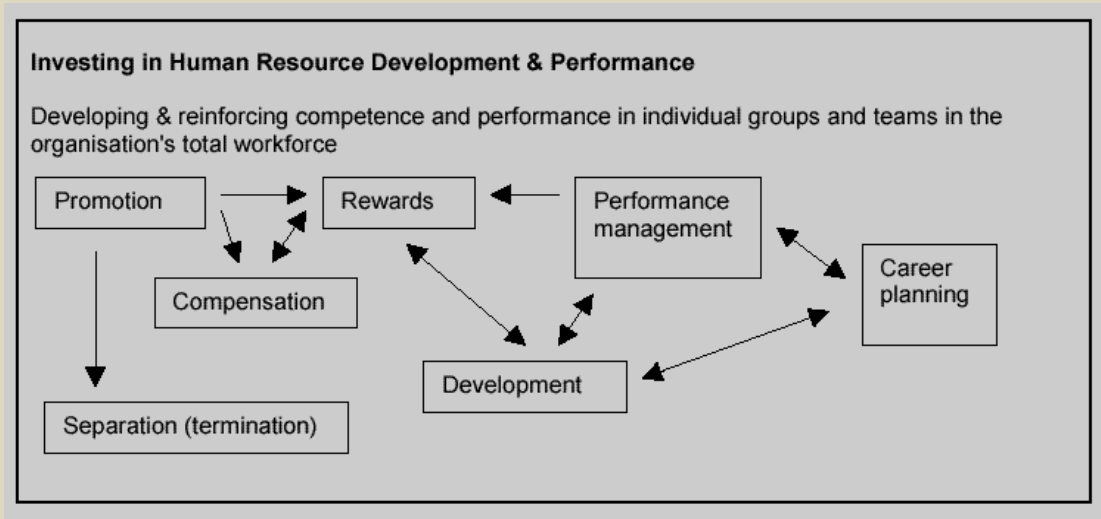
A comprehensive workplace skills plan will identify appropriate training priorities based on the organisations workforce needs now and in the future. New recruitment practices may need to be adopted to increase the representation of designated groups, or securing essential skills in the organisation. A comprehensive "learnership strategy" may assist in developing future workforce needs, identified either in terms of the organisations workforce plan or required in terms of industry black economic empowerment charters.

Actions:-

- Evaluate recruitment and selection practices in light of the organisation's strategic objectives.

- Develop and implement a comprehensive workplace skills plan. (with a thorough training needs analysis)
- Implement a learner ship strategy.
- Adopt or clarify occupational levels and category classification.

INVESTING IN HUMAN RESOURCE DEVELOPMENT AND PERFORMANCE



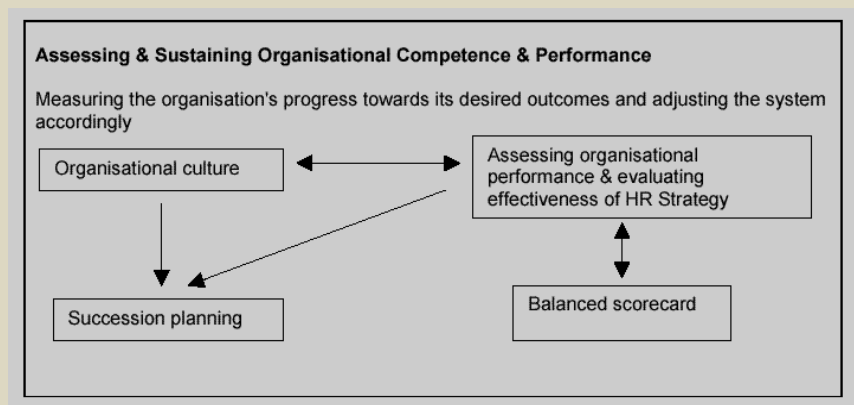
Traditional approaches to career planning, performance appraisals, reward management and employee development must be re-appraised in light of the vision, characteristics and mission outcomes as reflected in the HRM plans, policies, and practices.

Actions:-

Identify appropriate policies, procedures and practices in respect of

- Career Path.
- Performance Appraisals.
- Employee Development and Learning.
- Reward Management (compensation and benefits)
- Promotions and job assignments.
- Separation.

ASSESSING & SUSTAINING ORGANIZATIONAL COMPETENCE & PERFORMANCE



Finally, few organizations effectively measure how well their different inputs affect performance. In particular, no measures may be in place for quantifying the contribution people make to organizational outcomes or, more important, for estimating how changes in policies and practices, systems, or processes will affect that contribution. Implementing clear quantifiable measures, identifying milestones in the achievement of specific organizational goals, and using concepts such as a "balanced scorecard" will articulate the results of the HR Strategic Plan in measurable terms. Regular evaluation of the plan will also assist in fine-tuning the HR strategic plan itself.

Actions:-

- Evaluate organisation culture and climate.
- Implement succession planning.
- Evaluate HR strategy using quantifiable measures, e.g. balanced scorecard.
- Revise and adapt HR strategy.

OTHER TECHNIQUES AND STRATEGIES:

1. Determining the numbers to be employed at a new location : If organizations overdo the size of their workforce it will carry surplus or underutilized staff. Alternatively, if the opposite misjudgment is made, staff may be overstretched, making it hard or impossible to meet production or service deadlines at the quality level expected. So the questions we ask are: The principles can be applied to any exercise to define workforce requirements, whether it be a business start-up, a relocation, or the opening of new factory or office.

2. Retaining your highly skilled staff : Issues about retention may not have been to the fore in recent years, but all it needs is for organizations to lose key staff to realize that an understanding of the pattern of resignation is needed. Thus organizations should:

- monitor the extent of resignation.
- discover the reasons for it.
- establish what it is costing the organization.
- compare loss rates with other similar organizations.

CONCLUSION:

Effective HRP must be developed to support the achievement of the organization's objectives. HRP can themselves be critical inputs in determining the strategic initiatives for the organization. Because the purpose of human resource planning is to ensure that the right people are in the right place at the right time, it must be linked with the plans and objectives of the total organization. Business plans, where they exist, have defined human resource needs, thereby making human resource planning a reactive exercise. Much of the research conducted by I/O psychologists has been directed at improving short-term outcomes such as attracting applicants, maximizing performance, and minimizing dissatisfaction and stress in order to retain valued employees. A good human resource plan is a plan that helps employees and managers see how one of the most important resources of the organisation will be able to support the organisation's goal and mobilize other resources to sustain its competitiveness. Changing the way people think, feel, hear, see, and believe in the human resource utilization and management through a good human

resource plan will not only benefit the entire organisation and its people. In the long run, society will have organizations which are highly professional, ethical, and responsive to the needs of the whole world and its people. Effective integration of HR planning and business planning offers a credible vehicle for achieving business excellence. There are a lot of benefits associated with effective human resource planning techniques and strategies...Milkovich and Boudreau (2002, p. 147) emphasizes the role of human resource planning in the framework of organizational competitiveness by finding new ways to increase the quality of human resources. According to them, sustainable competitive advantage derives from a resource-based view of organisations. Organisations influence the quality of the resources available to them and these resources do not necessarily move easily between organizations. With the help of Effective human resource planning Models, techniques and strategies can be easily sustains the competitiveness of organizations.

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