

Human Resource Planning— Workforce planning

Long term staffing problems can arise for a number of reasons; these include changes in the population structure, government policy and the changing nature of industry. Businesses must decide whether they are able to set in place long-term plans to resolve these problems. The key to solving problems is to recruit and train the right sort of employees and to make sure that the business does not lose employees it may need in the future.

It is a failure of many businesses that they concentrate on recruitment without examining how to retain existing employees who have had a great deal of time and money invested in them by the business. Perhaps the reason for this is that recruitment is often easier than designing jobs that satisfy key workers.

Managing the numbers and skills of the existing workforce plus planning effective recruitment of the right sort employees and training them in the right way depends upon having the correct assessments of future labour needs. This planning is an important part of the role of the personnel department. It is normally referred to as Workforce (or Manpower) Planning.

So what is workforce planning?

At its simplest, workforce planning is about "trying to predict the future demand for different types of staff and seeking to match this with supply"

So Workforce Planning involves looking to the future and judging the levels of demand for skills within the business. In other words it

means ensuring that there will be the right number of workers, with the right skills, doing the right jobs, at the right time.

The comparison between the present workforce and the desired future workforce will highlight shortages, surpluses and competency (skills and education) gaps, whether due to external pressure, such as competition for workers. or internal factors. These gaps become the focus of a detailed workforce plan, identifying and implementing strategies that will build the relevant skills and capacity needed for organisational success. Staffing needs are often judged up to 5 years in advance, and these needs will depend upon the interaction of the variables indicated above.

Workforce planning does not always mean recruitment, it may mean shedding workers, this can be done through redundancy, both voluntary and compulsory, early retirement schemes, and allowing natural wastage to occur, (workers who leave for other employment or retire are not replaced). One recent criticism of mass redundancy schemes is that workers that choose to leave are often those who find it relatively easy to find a new job, and those that stay have less marketable (and useful) skills. Early retirement schemes often remove the most experienced managers who's skills will be lost to the business forever.

The main drivers for workforce planning are:

- **Business Objectives.** Development and change of business objectives .

- **Labour market:** Labour market trends have implications for recruitment and retention of staff.

- **Demographic and social change:**

Demographic change such as the ageing population in the UK is affecting both the demand for products and services and workforce supply.

- **Technological change:** Technological change is leading to large changes in ways of working and the skills needed in the workforce.

Benefits of Workforce Planning.

There are a number of important benefits that accrue to firms who have effective workforce planning programmes. Workforce planning is vital in helping firms to tackle problems such as staff shortages and staffing costs. It can help to ensure the production of quality products and services, and can save money by cutting costs associated with high vacancies and turnover. Costly redundancies can be minimised if redeployment processes are taken into account during workforce planning. Careful consideration of the age profile of an organisation can ensure that skills gaps will not have to be met through costly interim measures, such as high numbers of agency staff and overtime payments. Demographic analysis of the workforce is a vital part of ensuring that workforce diversity policies are effectively implemented. Longer term workforce planning provides the opportunity to link training and development with future skills needs and devise strategies to meet these needs.

Workforce planning will help the organisation to:

- decide how many employees are and will be

needed

- manage employment expenditure by anticipating changes

- ensure that sufficient and appropriate training and development is provided

- cope with peaks and troughs in supply and demand for different skills

- deliver an improved service to customers by linking business strategy to people plans

- improve employees retention rates.

- implement diversity policies effectively

- manage staff performance and sickness absence

Conclusion

There is no doubt that long term planning of labour needs is a difficult process, for example in the late 1980's the government cut back on the number of places available for training of student nurses. This has resulted in the current shortage of skilled nursing staff. We can imagine that the situation becomes even more unpredictable when the action of competitors and the changing nature of the markets must be factored in

Notes