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A Study on Developing Competency of Workforce Planning

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Abstract:

Competencies are measurable human capabilities that are required for effective work performance. Competency analysis and modeling identifies a wide range of people management systems such as workforce planning, selection, employee development, performance management and compensation.

Many organizations are adopting competency based workforce practices to find solutions to the problem of effective management and monitoring their workforce in the new world of work. Nowadays the demand to achieve this goal rests on change which necessitates a continuous transformation. Hence the competency framework strives to develop the workforce.

The paper examines the various concepts relating to business modeling and analyzing factors and effective measures in developing workforce competency plan. The data is collected via secondary source constituting journals, research articles, websites, and books. The main objectives are: To examine competency analysis and organizational models. To evaluate effective measures in developing a competency workforce. To analyze the various factors effecting in developing workforce planning.

Keywords: Workforce Planning, Competency, Compensation, Planning practices, Strategic area

1. Introduction

Workforce planning is grounded in its contribution to organizational performance. Done well, it provides management with a way to align the workforce with the business plan, anticipate change, and address current and future workforce issues. Operational workforce planning helps managers:

- Project and respond to unit staffing needs.
- Deploy staff and organize work.
- Manage organization culture and workplace relationships.
- Anticipate and manage risk.

Workforce planning is a systematic, proactive process, which aligns strategic planning, human capital and budgeting to meet organizational goals. This definition points to important characteristics of workforce planning. Firstly, that it must be grounded in the overall strategic objectives of the organization, its financial position and the competencies of the workforce. Secondly, workforce planning cannot be viewed as an end in itself. It is a tool to support organizations in building capacity in a structured and planned way. A number of models and tools are available to help organizations conduct workforce planning. Despite variations in terminology and the order of processes, most models are very much alike. Models typically describe the workforce planning process as consecutive stages. However, in practice engaging in workforce planning may not be so clear-cut. Stages may not proceed at an even pace and organizations should not be constrained by blockages or barriers in one phase, for example data collection, from considering others. It is also possible to focus on key activities and key employee groups rather than the entire workforce. As noted by Bechet (2002), 'a complete solution to part of a problem is better than no solution at all'. Finally, workforce planning does not take place in isolation. Maximizing the use of the existing workforce has all sorts of implications for human resources (HR). Training, performance management, succession planning, knowledge management initiatives, redeployment, redundancies/retirements in some areas, with selective recruitment in others, employee engagement and motivation, are all means through which an organization can seek to develop its workforce to meet future demands.

2. Perspective of Workforce Planning



Figure 1

Workforce planning Model:
This model is divided into two processes:

2.1. Strategic Workforce Planning



Figure 2

2.2. Step 1: Identify Workforce Issues

Employers often go straight to developing workforce proposals, strategies, and programs. Instead, they should first clearly define the nature and scope of the issues they need to address. There are three key issue drivers for strategic workforce planning:

- The organization's strategic plan.
- Workforce changes brought about by factors outside the organization's direct control.
- Demand for workforce maintenance and enhancement.

Issue Drivers	Examples
<p style="text-align: center;">Strategic Plan</p> <p>Workforce issues tied to changes in strategic business plans and other new business initiatives.</p>	<ul style="list-style-type: none"> • Change in Business Model • Creation of New Business Line • Business Reorganization • New Agency Performance Standard
<p style="text-align: center;">Changing External Environment</p> <p>Workforce issues brought about by anticipated changes outside the organization's direct control and influence.</p>	<ul style="list-style-type: none"> • Labor Supply Shortage • Revenue Shortfalls / Budget Cuts • Changing Workforce Demographics Governor / Legislature Mandate
<p style="text-align: center;">Maintenance & Enhancement</p> <p>Issues related to maintenance of, risk management for, and improvement of the existing workforce.</p>	<ul style="list-style-type: none"> • Anticipated Retirement Bubble • Regular Required Training • Performance Planning Cycles • Business Continuity Planning

Table 1

2.3. Step 2: Identify Workforce Goals

Workforce goals are broad, high-level statements that address the key workforce issues. They describe the desired outcomes, but do not include specific strategies or performance measures.

It is tempting to address every workforce issue or problem. Instead, employers should limit the number of workforce goals they set, and focus on those that will address the most critical business issues.

Examples of workforce goals include:

- Reduce turnover in 'core' positions.
- Enhance recruitment to support growth of 'x' program / institution / region.

2.4. Step 3: Identify Workforce Objectives

Objectives describe the measurable or observable results, an organization expects to achieve, related to a goal. They should also tell the organization how well its strategies and action plans are working.

For example, if the goal is to prepare the workforce for implementation of a centralized claims management model, the objectives may include:

- Maintain a 97% staffing level during the transition.
- Decrease the average claims processing time to 21 days by December 31.

Employers should test each objective against the following SMART criteria:

- **Specific** – Does it address a clear and precise element of success?
- **Measurable or observable** – Is it either quantifiable or clearly observable?
- **Action-oriented** – Does it address the results of a specific action?
- **Realistic** – Can the organization realistically influence the desired result?
- **Time-oriented** – Is there a time limit within which the objective must be achieved?

2.5. Step 4: Identify Workforce Strategies

Strategies and action plans describe how to achieve the objectives set by employers. Many factors influence what combination of strategies to use. Employers should choose only those few strategies that have the best chance of improving performance.

The chart below shows the typical workforce planning strategies areas.

Staffing		
Recruitment Assessment Training & Development	Retention Affirmative Action Succession	Employee Performance Management
Infrastructure		
Classification Compensation	Programs Statutes & Rules	Collective Bargaining Agreements
Organization Design		
Reorganization	Work Process Redesign	
Culture		
Values Diversity	Change Management Employee Engagement	
Risk Management		
Critical Incident Workplace Violence	Workplace Safety Employee Health & Wellness	Employment Litigation

Table 2

2.6. Operational Workforce Planning

The purpose of operational workforce planning is to create a focused, realistic plan to achieve unit-level business deliverables. Using the unit’s targeted outputs and performance measures, follow the three steps below:

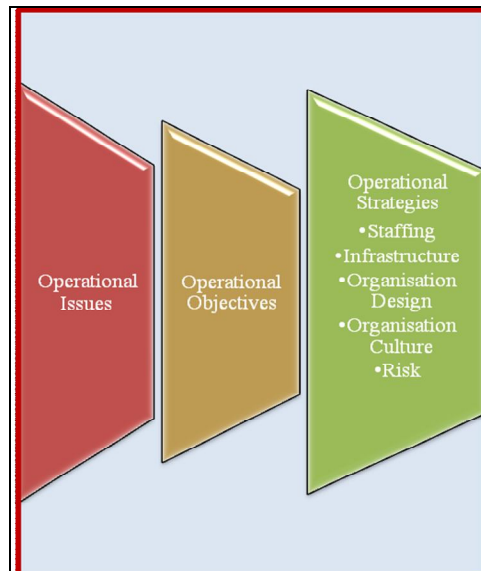


Figure 3

2.7. Step 1: Identify Key Operational Issues

Employers often go straight to developing proposals, strategies, and programs. Effective planning requires that you first clearly define the nature and scope of the issue(s) you need to address. There are three key issue drivers for operational workforce planning:

Issue Drivers	Examples
Changing Environment Issues brought about by anticipated changes outside the manager's direct Control and influence.	Challenge getting qualified applicants for vacancies. Budget cuts and reduction in force
Maintenance & Enhancement Issues related to maintenance of, risk management for, and improvement to the work unit.	Anticipated retirement of key staff Individual Performance and Development Planning Interpersonal conflicts between staff of
Strategic Plan Workforce issues tied to changes in strategic business plan and other new business initiatives.	Change in Business Model Creation of New Business Line Business Reorganization New Agency Performance Standard

Table 3

2.8. Step 2: Identify Operational Objectives

Objectives describe the observable or measurable results you expect to achieve related to an issue. At the operational level, workforce planning objectives are typically defined in terms of observable targets met by certain dates.

2.9. Step 3: Identify Operational Strategies

While objectives state what you want to achieve, strategies and action plans describe, How to achieve those objectives. Many factors influence what combination of strategies you use. Choose only those few strategies that have the best chance of improving performance.

The following chart lists typical workforce planning strategies by focus area.

Focus Area	operational action plan
Staffing	
Recruitment	Unit-wide or position-specific recruitment strategies (e.g., outreach and advertising) to fill anticipated vacancies.
Infrastructure	
Compensation	Individual salary-setting or incentive strategies to recruit or retain employees.
Organization Design	
Reorganization	Unit-level work reorganization (e.g., distribution of specialists and generalists, use of overtime, and lead worker – line employee relationships) to address Obstacles to unit performance.
Work Process Redesign	Unit-level workflow and work method redesign to remove obstacles to unit performance.
Organization Culture	
Values	Establishment of core behavioral standards for work unit. Scheduling training, meetings, and other activities to reinforce expectations.
Diversity	Identification of key demographic issues (e.g., gender, generation, and ethnicity) affecting workplace relationships.
Risk	
Critical Incident Preparedness	Organization-wide plans, procedures, and training to mitigate natural and man-made disasters (e.g., earthquakes, floods).

Table 4

3. Measuring the Effectiveness of the Workforce

Workforce productivity can be measured in physical terms or in price terms which allow the firm to compare effectiveness of staff with previous years and other firms in the industry to judge whether or not management, policies and procedures are working.

Three major ways of measuring Workforce efficiency

3.1. Labour Productivity

A measurement of economic growth of a country. Labor productivity measures the amount of goods and services produced by one hour of labor. More specifically, labor productivity measures the amount of real GDP produced by an hour of labor. Growing labor productivity depends on three main factors: investment and saving in physical capital, new technology and human capital.

Is labour productivity important?

- It shows how efficient staff are, which affects per unit costs (AC).
- It helps managers to see whether training is needed or how staff are paid needs to be changed in order to increase motivation

$$\text{Labour Productivity} = \frac{\text{Total output}}{\text{Total no. of employees}}$$

3.2. Labour Turnover

The ratio of the number of employees that leave a company through attrition, dismissal, or resignation during a period to the number of employees on payroll during the same period.

High Labour turnover a problem

- Productivity will fall and AC will rise
- High recruitment costs to replace staff
- It indicates low morale and motivation
- Poor customer service
- It may damage the firm's image and customer loyalty.

$$\text{Labour turnover} = \frac{\text{No. of Staff Leaving during the year}}{\text{Average no. of staff}}$$

3.3. Absenteeism

Voluntary non attendance at work, without valid reason. Absenteeism means either habitual evasion of work, or willful absence as in a strike action. It does not include involuntary or occasional absence due to valid causes, or reasons beyond one's control, such as accidents or sickness. See also attendance management.

Absenteeism be calculated

- Number of employees that leave a company through attrition, dismissal, or resignation during a period to the number of employees on payroll
- High or rising absenteeism represents a cost to the business because of the fall in productivity
- Absenteeism will also affect the quality of the product/service and quality of customer service and therefore, the firm's image.

$$\text{Absenteeism} = \frac{\text{Average no. staff Absent on one day}}{\text{Total no. of staff}}$$

4. Analyzing & Evaluating Workforce Planning

Workforce analysis is the foundation of any good workforce plan. It involves two distinct phases, including Supply Analysis and Demand (or Needs) Analysis. Altogether, this process yields information that can be melded together with the other components of workforce planning to form a strategic plan to cope with the workforce challenges of the future. The whole analysis should be revisited periodically to identify new trends and factors.

4.1. Step One—Supply Analysis: Evaluating the Current Resources

This step is generally the easiest because much of the information has been collected already somewhere in the organization. Evaluating current employee and demographic data will help identify future needs as well as a projected workforce strategy. Below is a list of the kind of data you will need and some potential sources of it.

Existing Employee Data. Most of the employee data is available to authorized users through the “State Employees” query in WiscJobs:

- What are the demographics of your current workforce? (Gender, disabled, full/part time etc.)
- How many people are performing each job?
- Where are the jobs located?
- What is the employee/supervisor ratio? Does it need to change?
- What are the pay rates of current employees?

Termination Reports (from the payroll system), Exit Interviews and Employee Surveys:

- How many people have left the department?
- Why did the employees leave the department?
- Where did they go?

- What were their impressions of the work environment before they left?
- How do the continuing employees feel about the agency?

Recruitment Data (from WiscJobs and payroll records):

- What recruitments have been completed in the last two to three years? Check both your own agency and recruitments done by other agencies for related jobs.
- What recruitment activities and resources were used?
- How many qualified applicants were found?
- Where did the most qualified applicants come from?
- What do new employees think of your recruitment practices?

Additional materials agencies can use to assist in the analysis include:

- Strategic planning documents.
- Current budget and position reduction information.
- External influences on operations.
- External labor market and economic data. (See links at the end of this document.)

4.2. Step Two—Demand Analysis

4.3. Evaluating the Future Needs of the Agency

To assess future needs, determine the answers to the following questions:

- How essential is each job?
- What job functions, if any, could be consolidated?
- How many people are needed in the future to perform each job?
- What knowledge, skills, competencies and abilities (KSA) are needed to perform anticipated job functions?
- What technology changes will be made?
- What processes could be done more efficiently or effectively?
- What activities can the agency stop doing or give up?
- Are there opportunities for reorganization?
- What are the organization's strategic objectives?
- What are the organization's diversity objectives?

5. Conclusion

Establishing a Workforce Planning framework is a major achievement, enabling an organization to consider how best to use its human resources to achieve outputs and outcomes. Workforce planning is all about getting the right number of people with the right skills, in the right place, at the right time. The main aim of developing the workforce planning is to identify critical occupations and competencies essential to achieve strategic goals. Systematically defines the size of the workforce needed to meet organizational goals.

Workforce planning has a central role to play in delivering improved services, and is an important issue for the corporate management. Therefore, effective workforce planning is an important tool to support authorities in maximizing resources and building capacity in a structured and planned way. People are the key to successful improvement and capacity building and organizations that plan well are equipped to manage both day to day business needs and to address changing priorities.

To prevent Turnover of employee in Organization there is a need to determine the necessary skills, capabilities and competencies required to achieve strategic and operational goals in the future.

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