

BSBHRM513

Manage workforce planning

Release 1

Learner guide

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Aspire Version 1.1

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Before you begin

This learner guide is based on the unit of competency *BSBHRM513 Manage workforce planning*, Release 1. Your trainer or training organisation must give you information about this unit of competency as part of your training program. You can access the unit of competency and assessment requirements at: www.training.gov.au.

How to work through this learner guide

This learner guide contains a number of features that will assist you in your learning. Your trainer will advise which parts of the learner guide you need to read, and which practice tasks and learning checkpoints you need to complete. The features of this learner guide are detailed in the following table.

Feature of the learner guide	How you can use each feature
Learning content	Read each topic in this learner guide. If you come across content that is confusing, make a note and discuss it with your trainer. Your trainer is in the best position to offer assistance. It is very important that you take on some of the responsibility for the learning you will undertake.
Examples and case studies	Examples of completed documents that may be used in a workplace are included in this learner guide. You can use these examples as models to help you complete practice tasks and learning checkpoints. Case studies highlight learning points and provide realistic examples of workplace situations.
Practice tasks	Practice tasks give you the opportunity to put your skills and knowledge into action. Your trainer will tell you which practice tasks to complete.
Video clips	Where QR codes appear, learners can use smartphones and other devices to access video clips relating to the content. For information about how to download a QR reader app or accessing video on your device, please visit our website: www.aspirelr.com.au/help
Summary	Key learning points are provided at the end of each topic.
Learning checkpoints	There is a learning checkpoint at the end of each topic. Your trainer will tell you which learning checkpoints to complete. These checkpoints give you an opportunity to check your progress and apply the skills and knowledge you have learnt.



Foundation skills

As you complete learning using this guide, you will be developing the foundation skills relevant for this unit. Foundation skills are the language, literacy and numeracy (LLN) skills and the employability skills required for participation in modern workplaces and contemporary life.

The following table outlines specific foundation skills noted for your learning in this learner guide.

Foundation skill area	Foundation skill description
Reading	<ul style="list-style-type: none"> Interprets and critically analyses organisational strategy and data on staff turnover and demographics
Writing	<ul style="list-style-type: none"> Uses broad vocabulary, grammatical structure and conventions appropriate to audience and context to develop strategies, plans or reports
Oral communication	<ul style="list-style-type: none"> Conveys information using language, format and style appropriate to a specific audience
Numeracy	<ul style="list-style-type: none"> Extracts and evaluates the mathematical information and applies mathematical and problem-solving strategies when monitoring labour trends and surveying organisational climate
Navigate the world of work	<ul style="list-style-type: none"> Understands and interprets organisational goals to develop processes, objectives or strategies relevant to own role requirements
Interact with others	<ul style="list-style-type: none"> Selects and implements appropriate communication protocols to liaise with personnel in a range of work contexts
Get the work done	<ul style="list-style-type: none"> Sequences and schedules complex activities, monitors implementation and manages relevant communication when researching requirements and developing workforce objectives and strategies Makes a range of critical and non-critical decisions in relatively complex situations, taking a range of constraints into account when assessing factors affecting workforce supply Anticipates potential problems and uses analytical or lateral thinking processes to formulate contingency plans Uses a range of digital tools to collect data, and to extract, organise and share information

What do you already know?

Use the following table to identify what you may already know. This may assist you to work out what to focus on in your learning.

Topic	Key outcome	Rate your confidence in each section
Topic 1 Research workforce requirements	1A Review current data on staff turnover and demographics	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1B Assess factors that may affect workforce supply	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	1C Establish the organisation's requirements for a skilled and diverse workforce	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 2 Develop workforce objectives and strategies	2A Establish workforce objectives and review strategies	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2B Address staff turnover levels	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2C Define objectives to retain the required skilled labour	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2D Define objectives for workforce diversity and cross-cultural management	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2E Define strategies to source skilled labour	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2F Communicate objectives and rationale to relevant stakeholders	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2G Obtain agreement and endorsement for objectives and establish targets	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	2H Develop contingency plans to cope with extreme situations	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic	Key outcome	Rate your confidence in each section
Topic 3 Implement initiatives to support workforce planning objectives	3A Implement action for recruitment, training, redeployment and redundancy	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3B Develop and implement strategies to assist the workforce to deal with change	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3C Develop and implement strategies to assist in meeting workforce diversity goals	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3D Implement a succession planning system	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	3E Implement programs to ensure the workplace is an employer of choice	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
Topic 4 Monitor and evaluate workforce trends	4A Review the workforce plan against patterns in existing employee and workforce changes	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4B Monitor labour supply trends	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4C Monitor the effects of labour trends on labour demand	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4D Survey the organisational climate to gauge worker satisfaction	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4E Refine objectives and strategies and make recommendations	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4F Review government policy on labour demand and supply	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident
	4G Evaluate the effectiveness of change processes against agreed objectives	<input type="checkbox"/> Confident <input type="checkbox"/> Basic understanding <input type="checkbox"/> Not confident

Topic 1

Research workforce requirements

The first step in the process of workforce planning is to research and review data on the current turnover of staff and the demographics surrounding the workplace. You also need to understand the factors that affect the supply of labour in your area, such as skill shortages or changes in industry practices.

A crucial part of planning is to identify the staffing requirements for your workplace to ensure there are diversity and sufficient skills. You will have to forecast the demand for staff as well as the future supply of suitably skilled workers. All this will help you plan the programs necessary to ensure there is the right mix of employees and skills when and where they are needed.

In this topic you will learn how to:

- 1A Review current data on staff turnover and demographics
- 1B Assess factors that may affect workforce supply
- 1C Establish the organisation's requirements for a skilled and diverse workforce

1A

Review current data on staff turnover and demographics

Identifying the rate of staff turnover in your workplace and establishing contributing factors are essential parts of workforce planning. You need to research the size, growth, age, gender and employment patterns of both your organisation and the labour market that supplies your organisation, to help you refine and develop a target demographic. This ensures recruitment matches the organisation's strategic workforce plan.

Sound literacy, numeracy, research, analytical and technology skills are paramount. The data and information you identify may contribute to developing a workforce plan that supports the organisation in building a skilled and diverse workforce to meet organisational needs.

Understand staff turnover

Part of human resource (HR) management is to monitor staff recruitment and performance and keep statistics on the rate and number of staff leaving the organisation. When a staff member leaves, for whatever reason, most organisations conduct an exit interview. As well as tying up loose ends, this is an opportunity to collect feedback and information as a resource for shaping your organisation's policies and troubleshooting problems with the work environment.



Staff leave for a range of reasons, including issues with their job role, the organisation or personal situations. By keeping a database on staff resignations and reasons for leaving, you can plot the rate of staff turnover and identify where staff skills are needed and what measures you can take to improve recruitment processes.

Reasons for resigning

Plotting reasons why people resign can assist you in your forward planning. Here are some common areas of employee dissatisfaction and reasons why people may choose to leave the organisation.

Understaffing

When employees feel that they are expected to cover an unreasonable workload and/or work long hours, with no change in sight, they may seek a more reasonable situation.

Rationalisation can often place employees in roles where they feel overworked even though management sees the workload as reasonable.

Lack of challenge

Employees who feel unchallenged tend to find that coming to work becomes mundane. These employees are generally looking for more responsibility or new opportunities. Being aware of a person's abilities and career aspirations is crucial to preventing this from happening.

Limited opportunities

A small organisation may be limited in the opportunities it can provide for advancement. This makes it difficult if a staff member wants to advance in their career, but the person in the job they would like has no intention of leaving.

Poor communication

If an employee feels they are not being told the full story or they do not understand the reason for a policy change, it can cause them to mistrust management. Managers need to communicate with their staff in an open, transparent and timely manner.

Lack of empowerment

Employees need to be able to take some responsibility for their work. Micromanagement can make people feel stifled and insignificant. It is important to provide people with a degree of autonomy and level of authority within their work role.

No recognition

For most people, the feeling that their efforts are appreciated is often just as important as the monetary reward. A little bit of praise can have a significant effect on the morale of your workforce and give people a sense of worth and achievement.

No enjoyment

No matter what job they are doing, people are not going to keep doing something they don't enjoy for very long; for example, a monotonous routine, undemanding tasks, not being interested in the work or having no rapport with colleagues will take its toll. Environment and atmosphere in the workplace can have a significant bearing on the enjoyment of the job.

Company culture

Employees resent working for organisations that do not measure up to the image they present to the public. Situations where organisational policy causes employees to act outside their own ethics are cause for frequent turnover in staff. Staff often leave if they do not feel they fit the company's culture; for example, some people work better in a relaxed, casual atmosphere while others prefer a hierarchical structure that has more rigid lines of authority and workplace expectations.

Work-life balance

People may find they are not given the flexibility of hours they would like and leave to seek a better work-life balance.

Other points to consider

Personal reasons that have nothing to do with the organisation may trigger a staff member to leave. These could include family moving interstate or people seeking a change of direction. There is a trend among younger workers to stay with an organisation for a relatively short time (in many cases fewer than three years) and move on to experience different organisations and work structures and develop new skills.

Use information from exit interviews, performance appraisal documentation and other staff data to identify the:

- rate of departure; for example, plot how many staff members have left in each month
- reason for the departure; for example, was the staff member fired due to unacceptable work performance or behaviour, or did they resign?
- rate of natural attrition; that is, where people leave after a number of years, retire, leave when they are pregnant or move interstate
- type of skill gaps that result from staff leaving.



Understand the organisation's demographics and labour market

Knowing the demographics of the organisation's workforce helps you plan recruitment strategies. You also need to know whether the demographics are changing and, if so, how. You can then adapt to meet future staffing and skills requirements. For example, younger people are more likely to move between employers and industries, and on average are less likely to stay in the one job or with the one employer than an older worker.

Analysis by the Australian Bureau of Statistics (2012) provides insight into changes in labour force trends over time. Here are some key findings.

Australian Bureau of Statistics – Labour mobility

There are a higher number of male workers in the workforce.

The average age of workers has increased.

People are maintaining their employment longer into old age.

The workforce is becoming more culturally diverse.

Demographics and cultural diversity

The demographic and cultural diversity of the Australian workforce has changed dramatically over the past few decades. These changes present new challenges for managers, as there is a need for training about issues such as cultural sensitivity, language, equity and discrimination.

You need to be able to adapt to a varied demographic and have effective training and career structure strategies in place to negate the loss of knowledge through retirements and resignations. You need to be able to compile a picture of the demography of your organisation's workforce as well as the labour market that affects your organisation.



Demographics and the organisation

You may have to do further research using the Australian Bureau of Statistics, industry journals and associations, recruiting firms, government agencies, training facilities and social statistics to identify demographic patterns in your organisation.

Here are some key demographic areas to focus on and questions to ask.

Size

- How many staff are employed?
- Are all staff needed or are some roles becoming redundant due to changing technology or decreasing demand for product?
- How large is the pool of skills available for you to recruit from?

Growth

- Is your organisation growing?
- Is there a need to recruit more skills?
- Are different skills needed now?
- Have external factors such as the economy reduced business profitability?
- Are increases in the relative cost of employment making downsizing or redundancies more likely?

Age

- What is the average age of workers in your organisation's workforce? Is this increasing or decreasing?
- How does this affect work output, employees' ability to perform their jobs or staff leaving due to retirement?
- What is the average age of available workers in your area?
- How valuable to your organisation are the experience and life experiences of older workers?

Example: understand exit interviews

Information from performance appraisals and exit interviews helps you identify contributing factors for staff leaving an organisation. Here is an example of a database showing staff departures over a six-month period.

XYZ Corporation						
Staff resignation database: Jan to June 2016						
Reason for leaving	Number of employees					
	Sales	HR	Finance	IT	Admin	TOTAL
Dismissed for poor performance					1	1
Dismissed for breach of procedures						
Retired from work			1			1
Maternity leave		1				1
Accepted promotion opportunity						
Accepted increased salary elsewhere	2					2
Job dissatisfaction				1		1

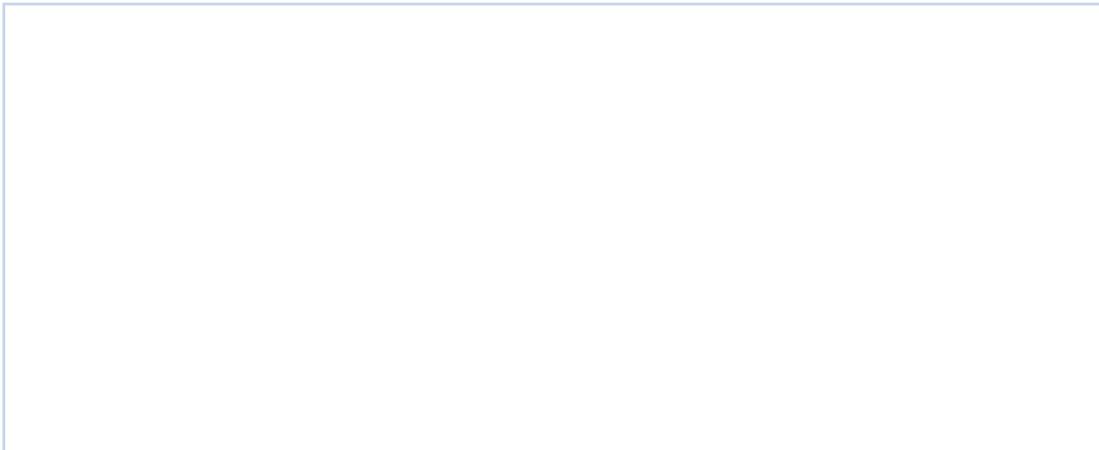
Practice task 1

Interview a manager or use your organisation's data to identify information on staff turnover over the last six months.

1. Prepare a dot-point list of statistics that show the number of staff who left, the skills they took and their reasons for leaving. Present staff turnover as a percentage rate.



2. In a dot-point list, describe the demographics of your organisation's current workforce, making a comparison with the current labour market available.



1B

Assess factors that may affect workforce supply

Many factors can affect the number, quality and availability of suitable staff for your organisation. You need to be aware of the current labour market situation as this will affect your organisation's ability to recruit future staff to meet skill requirements.

Researching and analysing economic and labour market data helps you predict the skills needed for the future and whether those skills will be available or whether there may be skill shortages. Comprehensive planning can create a more stable workforce and reduce uncertainty associated with future plans. You will need to access a range of information sources to estimate the current and future labour supply and demand. These may include the organisation's operational and financial plans for productivity figures and staffing ratios, the Australian Bureau of Statistics for demographic statistics, recruitment agencies for the availability of likely candidates, industry associations for employment trends and government policy for changes to skills funding.

Conditions affecting workforce supply

Labour supply is affected by demographics and the prevailing economic conditions, so it is important to remain aware of changes in these areas.

The demography of the areas surrounding your facilities may be changing or have changed, meaning that recruitment opportunities have also changed, either positively or negatively.

Economic conditions

Employment rates are closely linked to economic conditions. On a national scale, economic upturns mean fewer skilled workers are available and those available are asking for higher wages. In a downturn, there may be more skilled workers available.

If economic conditions reduce business profitability, the relative cost of employment increases. Organisations may respond to this by downsizing. Job cuts in non-essential areas (those considered not critical to the key business objectives) usually happen in times of economic downturn.

Industry changes

Improvements in technology, variations in customer demand and adverse economic conditions may lead to significant changes in the way the industry conducts its business and the products and services it offers.

For example, there have been significant market changes in the music industry. As digital music increases in popularity, organisations with complex manufacturing structures are forced to reduce prices substantially to sell their product, and to restructure their organisations. Such changes impose a high cost on the organisation, including lay-offs, declining public image, training and recruitment.

Changes in technology

Danish physicist Neils Bohr (1885–1962) said in the 1950s: ‘Technology has advanced more in the last thirty years than in the previous two thousand. The exponential increase in advancement will only continue’. This quote has become even more relevant in the last 30 years with the growth of computerisation.

Applying technology to work practices, manufacturing techniques and methods has reduced the effort required (in manpower terms) by every industry. As technological advances are made, various skill sets among the workforce become redundant and the need for a human presence is removed. At the same time, the workplace requires new skills in mobile technology, e-learning and security procedures.



Skills and labour shortage

Skill shortages occur when employers cannot fill vacancies. This may be because of a restructuring of the market due to changes in technology, changes to industry resulting in a shortfall of skilled people, geographical location deterring people from applying for a position, poor pay structures, or because the nature of the industry means it is difficult to attract workers.

Skill shortages can also occur when trained people leave and there are few qualified people to take up the position; for example, in construction and manufacturing industries. Government initiatives such as funded training programs work towards relieving skill shortages.

Employment and skill shortage statistics allow you to see the number of skilled workers that are currently available in the labour market and where gaps occur.

You can read more about skill shortages at these websites:

- Australian Bureau of Statistics – www.abs.gov.au
- National Centre for Vocational Education Research at – www.ncver.edu.au
- Department of Education and Training – www.education.gov.au

Analyse status of individuals in positions

Analysing the status of an individual’s role requires demographic and personal information to plan for the future of the role. It creates a clear picture of the current state of the roles in the organisation, their rates of turnover, recruitment considerations and so on. It allows the planner to move on to the next step with a clear understanding of the situation.

Here is key information needed for the analysis:

- Age (including median age of similar positions)
- Gender profile (does it meet the organisation’s equity and diversity policies?)
- Employment status (including separation rates, average salaries and average years of ongoing service)
- Part-time and full-time equivalents
- Promotion opportunities and career paths

Competition for workers

Employment and workforce participation statistics on job vacancies show the amount of competition your organisation has when attempting to recruit staff; that is, how many candidates may be in the marketplace and actively looking for employment at any given time.

In a tight labour market, you may have to offer more in remuneration or benefits to attract the right worker. Poaching staff from other companies may occur.

Having an increased share of the market due to new products and excellent customer service may mean an organisation must increase recruitment; there may be difficulties if there is a diminishing supply of suitable workers.

Market trends

Where demand falls, an option for management is to adjust production to avoid oversupply or excess inventory holding. A decline in demand therefore often leads to a reduction in production. The reasons for the decline need to be analysed to determine whether it is a temporary situation or symptomatic of a market shift away from the product, which will affect whether you can relocate staff temporarily or look to cut back through redundancies or dismissals. Declines in demand cannot always be predicted, but if you are aware of your market and competitors' positions, and if your organisation maintains a positive risk management environment, you can have options ready to implement if needed.

Alternatively, there may be an upward trend in an industry and the market may grow; for example, the aged care industry is expanding as Australians age and there is a need for more trained personnel and carers.

Workforce supply is also affected by employment trends such as part-time, casual and short-term contract work, and outsourcing. Outsourcing can be a positive strategy with respect to cost and workforce management, but customer feedback and quality issues are often difficult to rectify when personnel are not in the direct line of authority.



Example: monitor industry changes to reduce attrition

Rada is a HR manager for a group of real estate businesses. Having worked in the business for many years, she knows that when the housing market is strong, sales people are more likely to move jobs to seek higher salaries and commissions.

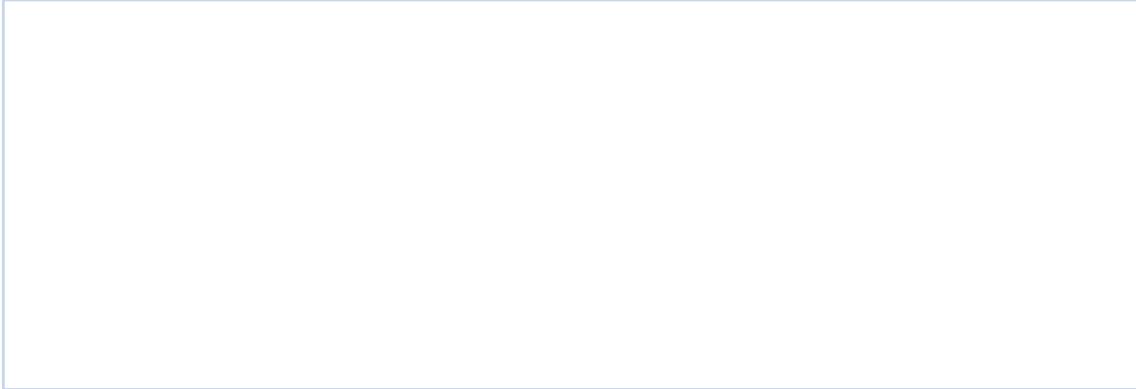
Rada subscribes to the industry association newsletter and their news feeds. This means she receives regular articles about industry sales levels, as well as a range of other information. She also accesses the ABS reports on housing sales and pricing indices each quarter.

As Rada notices the market strengthening, she reviews the competitiveness of her organisation's salary and commissions packages. She also conducts an employee satisfaction survey to understand and address employee concerns.



Practice task 2

Analyse the market trends and shortages in your industry. Describe how these will affect workforce supply for your organisation.



1C

Establish the organisation's requirements for a skilled and diverse workforce

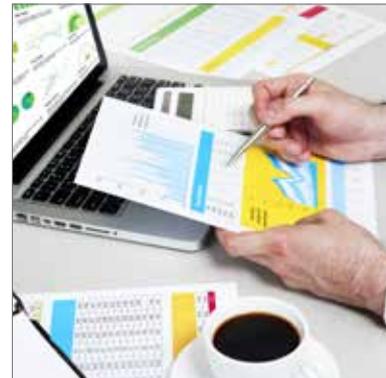
A skilled and diverse workforce is essential for modern Australian businesses. While undertaking regular research and analysis of the current market workforce is crucial, it is also important to prepare a clear picture of current and future skill needs within your organisation.

The rules of supply and demand are crucial to workforce planning. Managers need to identify potential changes in demand and adjust the supply levels to match expected demand.

Predict future skill needs

Identifying growth areas or areas where you need to scale down operations should be the initial step when planning your future workforce needs. These should be closely aligned with your organisation's goals and business strategy. When developing the business plan, management will have included forecasts of predicted areas of growth as well as areas that may need to be downsized.

You may be required to undertake a situational analysis to identify the state of the business, the current skills required and emerging skills that may be needed in the future. Information needed may include the number of current employees, the skills they have, staff turnover, business performance such as sales and profits, demand for growth and skills required for the future. All this can be used to predict future staff requirements.



The impact of business initiatives

Each planned business initiative will have a corresponding staffing issue. Here are examples of common business initiatives that may affect staffing.

Developing new products

- Can the current sales staff effectively handle the increased customer traffic?
- Will warehousing and distribution cope with the increased workload?
- Are there enough staff trained to handle customer inquiries?
- Are technology skills essential?

Expanding the market

- Is there sufficient marketing staff to manage the extra marketing requirements?
- Are there enough sales personnel to meet the new target demographic and customer service demands?

Moving into new markets

- └ Does your current workforce have the capacity and skills to meet production demands?
- └ Does the new market require dedicated sales staff, or sales staff with specific skills?
- └ What retraining requirements exist for the production chain?

Improving distribution networks

- └ Do the new initiatives require new skill sets?

Supply forecasting

Supply forecasting involves looking at each job role in the organisation. Each job role is plotted on a chart or list with connecting lines to related roles. For each role, the planner briefly records why the role exists and prioritises the critical roles and skills required.

There are two kinds of supply forecasting methods:

1. Quantitative or statistical – a mathematical process of tracing historical trend data.
2. Qualitative or judgmental – using current data such as staffing charts and skill inventories to make predictions of what future human resource supplies will be available to meet your workforce plan.

Here are benefits the organisation gains through supply forecasting.

Supply forecasting helps the organisation to:

- quantify numbers of people and positions expected to be available in the future to enable plans and objectives to be met
- clarify likely staff mixes that will exist in the future
- prevent personnel shortages
- monitor expected equal employment opportunity (EEO) and diversity goal compliance.

Questions to help with supply forecasting

The following questions are useful in determining supply.

1. Which roles or skill sets have the highest strategic impact on the organisation's goals?
2. Given the scenarios, which roles may become part of the organisation's core business in the future?
3. Which roles have had a number of vacancies in the last 12 months?
4. Which roles have been difficult to fill?

Demand forecasting

Demand forecasting looks beyond the current situation and estimates future production levels. There are several methods of demand forecasting, including data mining, exploration, expert systems and Delphi methods.

The purpose of demand forecasting is to work out how different initiatives will affect the workforce size and skills requirements over the next one to five years.

Here are examples of questions used to determine demand forecasting.

Questions to help with demand forecasting
What are the skills your organisation currently requires to meet its business needs? How will these skills change over the next five years?
How will these skills vary under the alternative scenarios? Will these skills still be required?
What do you consider to be the most critical skills currently required by the organisation? Given the scenarios, will these skills remain critical in the future?
Are these skills readily available in the organisation at present?
Are there any job roles where the skill requirements will change?
Will any job roles cease to exist, or change dramatically to the point of becoming new roles?

Determine excesses and shortages

The next step requires the planner to compare current skills and roles with the future demand to determine gaps. These gaps may be shortfalls where roles will need to be created or expanded, or excesses where roles need to be restructured, redeployed or cut. An appropriate method for conducting this determination is to undertake a skills audit of current skills held by staff, and skills they may need in the future.

Another appropriate method for determining skill excess and shortage is a supply and demand table or summary. Here is an example of how information may be presented in table format.

Gap analysis – supply and demand summary sheet							
Critical job role	Current workforce (Full-time equivalent)	Net demand		Net supply		Difference	
		1yr	5yrs	1yr	5yrs	1yr	5yrs
Store person	12	14	20	8	18	-6	-2

Define diversity in the workforce

In broad terms, diversity is human difference; it is what gives each of us our definition and identity. Respecting diversity means respecting human individuality.

Diversity is not just a politically correct methodology. Research provides many examples of the competitive advantages gained by organisations that embrace a diverse workforce. Such organisations accommodate diversity in all its forms and are able to generate new markets, ideas or processes previously untenable without the input of a diverse workforce.



From an academic and compliance perspective, diversity means the ways in which individuals differ from one another, specifically in the areas of age, cultural or linguistic background, gender, religious beliefs and sexuality.

Diversity and equity

From a workforce planning perspective, diversity must be approached in conjunction with equity. Equity, or fairness, provides workforce planners with the rules by which diversity can play a part in their business. For example, it is appropriate under the doctrine of diversity to employ anyone, of any background, age or sex. However, the application of equity may suggest that, in some circumstances, it would not be fair to employ a particular person for safety or task utility reasons. For example, you could not employ someone with narcolepsy, a sleeping disorder that causes them to fall asleep without warning, as a truck driver; similarly it would not be appropriate to employ a person with colour blindness in a role where they must be able to distinguish red from green (for example, as a cartographer).

Positive impacts of diverse workforces

There are a great many positive aspects of having a diverse workforce. Here are examples of different staff characteristics that can have a positive impact on your workforce.

Age

Having employees that represent a range of generations brings a mix of experience, energy and forward thinking. Older staff may be appointed mentors to younger staff to provide guidance based on their experience, while younger staff may be able to suggest new ways of doing things.

Never be stereotyped in your thinking; for example, many older people are experts in new technology.

Gender

Having a mix of genders is beneficial for the social impact it has, although some industries are more likely to have a higher proportion of male or female workers. The important thing to remember is that gender must not be a factor in recruitment except in specific cases where it is crucial to have a specific gender in the role.

Religious beliefs

A person's religious beliefs must not affect recruitment. Learning about different religions can be a new experience for many people and help to foster acceptance.

Ethnicity and culture

Australia's workforce is made up of people from a range of ethnic backgrounds. This diversity can help an organisation model anti-discrimination practices and tolerance.

Workers' backgrounds

Most staff in an organisation will have varying levels of education, linguistic ability and experiences. This mix can enhance the learning of new skills, provide opportunities for mentoring, encourage acceptance and decrease prejudice.

Sexuality

The question of a person's sexuality has no place in the workplace. All candidates for a job must be judged on their ability to undertake the tasks that make up their job role. Bigotry and intolerance can quickly undermine a workplace.

Learning styles

It is extremely useful to have staff who encompass a mix of learning styles; that is, those who learn best using graphics and pictures; those who favour printed material; and those who need to do, touch and see. This type of diversity can foster innovation and energy and generate new ideas, but also draw people's attention to details that may be overlooked.

Organisational policy

Under the laws of the federal, territory and state governments, it is illegal to discriminate against someone on the grounds of age, culture, gender, race, religion or sexual orientation. While it is not a requirement for all organisations to state a specific diversity policy (also known as an access and equity policy or equal opportunities policy), it is implied under the law that all organisations adhere to the principles of diversity and equity. Some organisations, such as registered training providers and childcare organisations, are guided under legally binding industry codes to establish such policies.

Here are examples of relevant state, territory and federal legislation.

State laws	Federal (Commonwealth) laws
<ul style="list-style-type: none">• <i>Discrimination Act 1991</i> (ACT)• <i>Anti-discrimination Act</i> (NT)• <i>Anti-discrimination Act 1977</i> (NSW)• <i>Anti-discrimination Act 1991</i> (Qld)• <i>Anti-discrimination Act 1998</i> (Tas.)• <i>Equal Opportunity Act 1984</i> (SA)• <i>Equal Opportunity Act 1995</i> (Vic.)• <i>Equal Opportunity Act 1984</i> (WA)	<ul style="list-style-type: none">• <i>Racial Discrimination Act 1975</i>• <i>Sex Discrimination Act 1984</i>• <i>Workplace Gender Equality Act 2012</i>• <i>Australian Human Rights Commission Act 1986</i>• <i>Disability Discrimination Act 1992</i>• <i>Age Discrimination Act 2004</i>

Example: promote diversity

Managers should be open to diversity, not create diversity for its own sake. You must apply diversity principles and act in the best interests of your organisation. You should not compromise your task of getting the right skills for the position.

Some diversity policies, such as that of the British Library, are long, complicated documents with multiple appendices. The rationale behind such an extensive document is:

'To promote a culture within which the British Library actively values difference, recognising that people from different backgrounds and experiences can bring valuable insights to the workplace and enhance the way in which we work.'

Additionally, the requirement for such a policy may be to promote the organisation as an employer of choice and to seek talent from outside the traditional boundaries of the country of origin, as well as to maintain a high standard of ethical publicity.



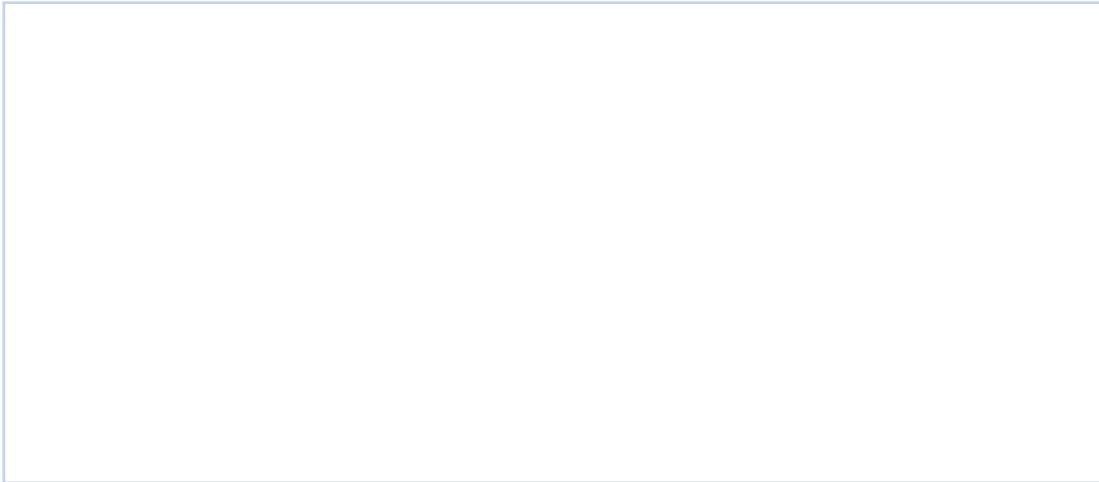
Practice task 3

1. Select a work group within your organisation or one you are familiar with. This may be a work team, department or entire division. Using the supply and demand approach, analyse the roles of the work group and determine areas where skill excesses or shortages may be experienced in the next five years.

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2. Does your organisation (or an organisation you are familiar with) have an equal opportunity policy or similar? If so, summarise your organisation's requirements for workforce diversity. If not, create a couple of paragraphs or a series of dot-points to describe what you think the diversity requirements of your workplace should include.



Summary

1. Identifying the rate of staff turnover in your workplace and establishing contributing factors are essential parts of workforce planning.
2. Staff may leave for a variety of reasons, including a job no longer being challenging, limited promotional opportunities, being overworked, no recognition, no enjoyment, a poor company fit, a partner being transferred to another state or a desire for a better work-life balance.
3. A key undertaking is to research the size, growth, age, gender and employment patterns of both your organisation and the labour market that supplies your organisation to help you refine and develop a target demographic.
4. Be aware of the factors that may affect the number, quality and availability of suitable staff for your organisation; for example, economic conditions, changes in technology, industry changes, competition for workers, market trends, skill shortages and unemployment rates.
5. Supply forecasting helps your organisation quantify numbers of people and positions expected to be available in the future and prevent personnel shortages, while demand forecasting looks beyond the current situation and estimates future staffing and skills requirements.
6. Ensure you are familiar with your organisation's requirements for diversity in the workplace. You also need to be familiar with anti-discrimination and equal opportunity legislation.

Learning checkpoint 1 Research workforce requirements

This learning checkpoint allows you to review your skills and knowledge in researching workforce requirements.

Part A

1. Why is an understanding of staff turnover essential to human resources planning?

2. Describe some of the implications that arise from analysing the demographics of your workforce.

3. Why do you need to research, analyse and understand the conditions that affect the number, quality and availability of suitable staff and help you forecast future human resources supply for your organisation?

4. Using examples, describe two factors that have affected your organisation's ability to recruit the skilled workers it needs.

5. Use dot-points to describe the importance of supply forecast to HR management.

6. Why is it necessary to familiarise yourself with the requirements for workforce diversity?

Part B

Read the case study, then answer the questions that follow.

Case study

For the past few months, a children's services department has been engaged in a strategic planning process, and the leadership team has come to recognise the critical role the workforce will play in the agency's ability to achieve its strategic outcomes.

As part of the strategic plan, the department will be implementing the Family to Family (F2F) model next year, which has implications for both the number of frontline workers needed and the competencies they must possess. The leadership team has made the decision that workforce planning is critical to their overall strategic planning effort and they have appointed a workforce planning team (WPT), chaired by the Human Resources Director. The WPT is currently conducting a supply-demand analysis and a gap analysis.

The WPT's major concerns include the following:

- Current workers are a poor fit for the job.
- Morale is low and turnover is high.

They are concerned about how well the staff will be able to adapt to the new model. Their analysis will include:

- undertaking a competency assessment to determine required competencies needed
- undertaking a staffing assessment to determine the number of staff needed
- identifying the gaps between the competencies needed and those currently possessed
- identifying gaps between current and future staffing levels.

1. What sources of data could assist this organisation in determining the workforce supply?

2. How could the WPT identify the gaps between the competencies of the current case workers and the future requirements under the F2F model?

Part C

Based on your organisation, or one you are familiar with, prepare a portfolio of evidence that demonstrates your ability to research workforce requirements.

Include the following two pieces of evidence:

1. Present evidence of staff turnover over a 12-month period, showing the number of staff who left, the skills they took and the reasons they left.

2. Describe the demographics of your current workforce. You may wish to use a table similar to the following.

Demographics	Current workforce
Size	
Growth	
Age	
Gender	
Employment patterns	
Diversity of culture, religion and language	
Diversity of educational experiences	

Topic 2

Develop workforce objectives and strategies

You need to establish objectives for organising your workforce, including measures for sourcing and retaining skilled labour and addressing staff turnover. You also need to prepare a contingency plan to cope with extreme changes brought on by economic downturn, increased demand for goods or a company restructure. A key aspect is to communicate strategies to the stakeholders and obtain endorsement for your plan of action.

In this topic you will learn how to:

- 2A Establish workforce objectives and review strategies
- 2B Address staff turnover levels
- 2C Define objectives to retain the required skilled labour
- 2D Define objectives for workforce diversity and cross-cultural management
- 2E Define strategies to source skilled labour
- 2F Communicate objectives and rationale to stakeholders
- 2G Obtain agreement and endorsement for objectives and establish targets
- 2H Develop contingency plans to cope with extreme situations

2A

Establish workforce objectives and review strategies

The organisation has objectives to meet and a strategic plan to meet them. One section of the strategic plan is your workforce plan. The workforce plan details the strategies the organisation will use to structure the workforce as the organisation moves towards its objectives. Whether the workforce grows, remains the same or downsizes will be determined by the objectives you establish to meet the organisation's requirements.

You can read more about workforce planning at this website: integratedplanning.dlg.wa.gov.au/WorkforcePlanning.aspx.

What you need to achieve

The organisation will have determined goals to achieve as part of its business plan. Here are some common organisational goals.



- Increase production of current products
- Introduce new products
- Expand into new markets
- Increase distribution area
- Decrease production in specific areas

Achieve financial goals

To complement their business goals, the organisation will have developed financial goals. The organisation's budget will have a large bearing on your workforce plan. All organisations are looking for ways to increase their bottom line. Strategies for reducing costs may include downsizing the workforce, outsourcing or training existing staff. Strategies must be regularly reviewed to ensure they align with the organisation's current objectives for the workforce.

Here are common strategies to manage the workforce to meet financial goals.

Workforce strategies to meet financial goals

Recruiting workers with specific skills to close skill gaps and expand the workforce.

Offering redundancies if staffing levels need to be reduced.

Encouraging multi-skilling and redeploying existing staff to retain the workforce.

Promoting the workplace as an employer of choice to attract and retain workers.

Expand the workforce

Clearly establish the objectives of why your workforce needs to expand; for example, it may be to meet increased production goals or to introduce new products and markets. The planned rate of increase in production or the entry into new markets will govern the rate of expansion of the workforce.

Your workforce plan should detail the expected rate of expansion and the recruitment strategies that will be used to fill the new positions. For example, line worker positions will be filled by recruitment or movements within the organisation; supervisor and managerial positions may be filled by movements or promotions inside the organisation or by recruiting suitable people from outside the organisation.

Your workforce expansion plans need to ensure that the people filling new positions are in place when the organisation plan indicates that the positions need to be filled. All training requirements for these employees should be programmed to be completed so there is no downtime when they begin work.



Downsize the workforce

If the organisation's business plan and strategic directions indicate that staffing levels need to be reduced, define the rationale and objectives clearly in your workforce plan. Downsizing tends to occur in periods of economic downturn, when sales slow and businesses are forced to cut production. In these cases it is generally the lower levels of the workforce that are made redundant. However, downsizing is also a tool for rationalising the organisation's structure.

When the goal is rationalisation, you generally look at reducing middle management and supervisors more than the production staff. In both instances, the objective is to reduce costs while maintaining production. By downsizing, you will most likely meet your short-term goals; however, many businesses find that its benefits diminish or even become problems in the long term.

Here are some organisational obligations that must be met when downsizing the workforce.

Organisational obligations related to redundancies

Follow current industrial relations practices and legislation.

Inform staff of what is being planned for their position.

Give staff the opportunity to discuss the situation.

Provide opportunities for staff to seek legal advice.

Retain the workforce

If keeping the workforce at its current level is an appropriate option, there are several actions that may benefit the organisation and the workforce.

Here are common objectives when retaining the existing workforce.



- Reduce the costs associated with recruitment
- Increase staff skills so they can perform a wider range of tasks
- Increase staff skills so they can be redeployed in areas of need
- Relocate existing staff into areas where increased staffing may be needed at a later date
- Encourage multi-skilling, mentoring and in-house training
- Encourage succession planning
- Increase staff morale
- Develop the organisation as an employer of choice through salary, conditions, image and reputation

The triple bottom line

The triple bottom line is an accounting term defined by the Macquarie Dictionary as ‘a form of auditable company reporting which seeks to balance financial gain against responsibility to society and to the environment, in response to a corporate strategy that aims for economic, environmental and social gain’. The phrase was coined by John Elkington in 1994 and encompasses the ethos of new corporate responsibility, taking into account how decisions the company makes affect the environment and people, not just the bottom line. It is also often referred to as the PPP method – people, planet, profit – and means the business is not focused purely on financial gain.

From a management perspective, you must take into account how your decisions affect people and the environment rather than basing them on purely financial reasoning. This is another factor in becoming an employer of choice.

Example: reward and recognition to retain staff

Management at an international graphics organisation have included reward and recognition systems in their workforce strategic plan as a tool to lure top employees in a competitive job market and to increase employee performance. The objectives are to both attract and retain skilled staff.

The reward system is set up to reward performance and motivate employees on individual and/or group levels. It is separate from salary, but contains a monetary element of bonuses, which have a cost to the company.

The employee recognition program includes an employee of the month program that offers a priority parking space, the employee’s photo on the wall, a certificate of achievement and occasionally company discount vouchers. This strategy of recognition in preference to reward motivates staff, but keeps costs to the company low.



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Practice task 4

1. Research reward systems on the internet. Briefly identify which reward system you feel is most effective. Explain the reasoning behind your choice.

2. Consider your organisation's business objectives (or those of an organisation you are familiar with). Note whether these objectives are likely to result in growth and additional staff requirements, or whether the organisation needs to reduce, retain or redeploy its workforce. Develop three objectives and accompanying strategies for your course of action.

2B

Address staff turnover levels

Identifying the rate of staff turnover in your workplace and establishing contributing factors are essential parts of workforce planning.

When someone leaves an organisation, the cost can be significant. Advertising, recruitment, training and mentoring are all costs to your organisation associated with replacing that person with a new employee. The organisation also suffers from information loss, especially if the person who leaves has been with the organisation for a long time. In some cases, the customer relationships the employee has built up over the years are a major loss.

When people regularly leave an organisation, the effect will be significant, even if the organisation is large. If you have an area with unusually high numbers of staff leaving on a regular basis, you need to identify the cause and develop a strategy to overcome it.

Identify staff turnover rate

Identifying the reason people are leaving is the first step in developing a strategy to reduce staff turnover. Remember that it is not always due to poor people management. Different things are important to different people. Some people will endure anything if the money is right, while others place money as a low priority and put more importance on feeling appreciated.

Some staff turnover is inevitable and can even be desirable to introduce new ideas and enthusiasm into the organisation. It is crucial to regularly review staffing numbers against the organisation's business and strategic plan to identify whether there are sufficient staff to help achieve objectives. In some cases, the staff turnover rate may be deemed acceptable, whereas in other circumstances you may need to apply a range of strategies to slow or halt the rate of turnover.



Strategies to reduce staff turnover

If analysis reveals that the staff turnover rate is unacceptable, you need to develop strategies to reduce its momentum. Regular interviews, performance appraisals and counselling should be part of your workforce management. This is the time to identify and resolve problems. Solutions may be as easy as saying, 'Thank you for your efforts'. It is too late to offer praise when your star employee has made up their mind to leave. However, you must remember that you can't please everyone and the organisation's objectives need to be met.

The organisation is only as strong as its people, and retaining the best people is important. The organisation needs to become the employer of choice through good workforce policy.

Here are common strategies to reduce staff turnover.

Strategies to reduce staff turnover
Provide challenges that require increased skill level.
Increase the level of communication between management and staff so people are recognised as being an important part of the organisation and feel more empowered.
Recruit additional staff to relieve stress due to work overload.
Develop better career opportunities or promotional pathways.
Address ethical and environmental policies to improve work practices.

Example: reduce staff turnover

A human resources strategy in a major national company aims to ensure that staff attraction and retention initiatives are in place. The attraction of high-calibre employees in all fields of endeavour and the maintenance of low levels of staff turnover are fundamental to the company's business successes. Stability in their skill and talent level is essential to ensure productivity levels are improved, product quality is assured and the confidence of the customer base is maintained.

The organisation's main strategies are coaching (as a means to influence staff), mentoring (where staff are supported to broaden their skill repertoire through the support of existing skilled and experienced staff), embracing diversity (to ensure age and gender do not become barriers) and recognition programs (to ensure staff feel valued). With the strategies in place, the company manages to reduce staff turnover by 78%.

Practice task 5

Read the case study, then answer the questions that follow.

Case study

The HR manager at a law firm has decided to resign after encountering endless trouble recruiting on behalf of a particular partner in her firm. She says: 'He's extremely rude, arrogant, sexist and a control freak. We have had an endless procession of highly experienced and capable personal assistants hired to work with him, but they all leave, saying he is impossible to work for. But it's such a boys club here that the other partners will never get rid of him or tell him the truth: that his behaviour is unacceptable. I'm fed up with the situation because it stands for everything that is wrong with this company's culture'.

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1. How would you approach this situation?

2. What strategy could you put in place to make this firm an employer of choice for personal assistants?

2C

Define objectives to retain the required skilled labour

Apart from the financial cost of replacing a staff member, losing a member from your organisation costs you a less tangible, but just as vital, resource. When experienced and skilled staff members leave an organisation, they take much more than just the job skills with them. They have a knowledge base that is an extremely valuable asset to your organisation. This knowledge base is not something that can be easily taught. It comes from experience and years of interaction with stakeholders and customers. Therefore, astute organisations do the best they can to retain effective, long-serving staff.

Depending on how long staff have been part of the organisation, they will have vital operational knowledge.

Operational knowledge may include:

- how your company functions
- who your customers are
- your customers' preferences
- how to get the most out of your suppliers
- what works
- what does not work
- how to avoid making the same mistakes.

Strategies to retain skilled workers

A shortage of skilled workers makes the job market a workers' market. As with any rare commodity, competition for skilled workers is high and headhunting (making offers to lure high-quality employees into organisations) is widespread. Strategies to retain valuable staff need to be included in your workforce plan.



Reward systems

Reward systems are used to show employees their value to the organisation. Reward systems are commonly tied to performance management processes, and the rewards may be financial or non-financial.

Financial rewards include bonuses for achieving predetermined goals; for example, the employee may receive a lump sum bonus payment at the end of the year if they receive a rating of satisfactory or higher throughout the year.

There may also be incentives to complete high-value activities. For example, when a project is completed on time, employees may have been guaranteed a bonus of five per cent of their annual wage. If the project is completed ahead of time, an extra one per cent is added to the bonus.

Often workers will place more value on non-financial rewards than financial ones. Here are common methods of rewarding staff.

Achievement

Being given the opportunity to achieve can motivate as it empowers the worker to make decisions and use their skills.

Recognition

Being shown appreciation for your work and achievements is a powerful motivator.

Responsibility

Increased responsibility gives a feeling of increased ownership.

Influence

The ability to exert influence is tied to empowerment.

Personal growth

Providing workers with opportunities to better themselves enables personal growth.

Professional development

It is estimated that the average adult will change jobs or careers six to seven times in the course of their working life. One reason is that the work becomes routine and mundane after a while. The employee needs to be challenged in the workplace to prevent boredom and job dissatisfaction.

Most organisations offer a professional development program to widen an employee's skill base and increase their value to the organisation. They also offer flexible career paths that allow the employee to change jobs within the organisation, or map their future movement through the organisation. This can challenge the employee to take the next step along their career path with your organisation.



Employee relationships

Skilled workers are less likely to leave a place of employment if they feel valued and appreciated by their employer. It sounds like a simple concept, but if a manager takes time to develop professional relationships with all their employees, a sense of team and loyalty can result. Recognising an employee's contribution through verbal praise, awards and staff meetings should result in positive working relationships.

Work environment

Providing opportunities for staff to 'step up' demonstrates that the company has faith in them. Offer an innovative and stimulating work environment so the employee's skills are used appropriately and there is an opportunity for the employee to be challenged and build on their existing skills.

Providing flexible working hours or discounted gym memberships will make the work environment more appealing to employees. Ensuring support options, such as access to counselling, are available will further demonstrate the importance of employee health and wellbeing.

Communication channels

In any workplace, management can demonstrate a commitment to its employees that makes them feel valued by providing open channels of communication between management and staff. This involves encouraging employee input into decision-making via consultation and feedback, and informing the staff of plans and decisions that will affect them.

Example: retain skilled workers

A large food services company has expanded steadily through acquisition and incremental growth over the past ten years. The company has gone from having 12 employees to over 60 in that time, and is looking to expand further in the future. In a revised business plan, the company establishes objectives that include hiring eight new staff members and establishing new links to growers from other areas. A problem with creating links to new suppliers is identified as a HR issue in a risk analysis. The links are predominantly relationship-based, and therefore susceptible to staff turnover, poaching and other HR problems.

One strategy for the retention of these staff is to include inducements and rewards based on loyalty (years of service). However, if staff do move on, client contacts are encouraged to provide recommendations to the company for filling the vacated positions. This should improve the likelihood of continuing the relationships and will continue to secure industry knowledge.

Each of the new employees hired for the customer relationship positions have to be endorsed by the suppliers, at which time individual targets are developed between the HR representative and the grower. This creates very strong links and reduces business risk.



Practice task 6

Compile and then conduct a survey on your organisation's staff movements, or those of an organisation you are familiar with. Find out how many staff members have been there more than 12 months, how many for less than 12 months, how long they were at their last employment and so on. Record the results in a spreadsheet.

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Prepare an incentive program, listing a range of rewards appropriate to your organisation.



2D

Define objectives for workforce diversity and cross-cultural management

Australia is a multicultural nation with a rich diversity of ethnicity, culture and religion. There are many advantages to having a diverse workforce, including the generation of new markets, ideas and processes.

A diverse workforce includes people from different cultures, people with individual differences derived from varied backgrounds, people who speak languages other than English, a range of ages and genders, and people with varying beliefs and value systems.

Within businesses, human difference is essential.

We learn from each other's different points of view, experiences and skills. Interacting with people from different backgrounds tends to generate knowledge and innovation and provide different ways of solving problems, all of which are important when competing in a global business world. Having staff who can speak the language and understand the cultural protocols of the country an organisation is dealing with gives the organisation a competitive edge.

Australian workplaces rely on effective teamwork and the ability of employees to work together well and support each other. Discrimination, intolerance, stereotyping, holding prejudices, bullying and other negative practices are not only unethical and poor business practice, but also against the law.



Value diversity

Valuing and accommodating diversity should be part of an organisation's overall business plan. When an organisation values justice and equality, management may implement specific diversity policies and objectives to increase the organisation's competitiveness, market relevance and image in the workplace. Diversity programs can help keep talented and valuable staff and place the organisation as an employer of choice.

Diversity objectives

Use your organisation's strategic planning process to ensure that diversity and cross-cultural management objectives align with the overall business objectives and strategic goals. Engage senior managers in the process of setting objectives to increase their commitment to these objectives and ensure an inclusive work environment.

Objectives to embrace diversity

When setting these objectives, you should also consult with employees at all levels of the organisation. You may add questions to an employee satisfaction survey to find out what employees value, or conduct specific focus groups with employees from all levels of the organisation. Exit interviews may also provide information that guides your diversity objectives; for example, if an employee is leaving because they could not access flexible work arrangements to care for family members, this may influence your diversity objectives.

Once you have established overall objectives for diversity and cross-cultural management, you need to identify specific actions with targeted goals to achieve them. Here are examples of objectives for embracing diversity in the workplace.

Diversity objectives

- To have a diverse workforce made up of people of varying ages, genders and backgrounds with different education, abilities and beliefs.
- To be inclusive of everyone in the workplace through actions and wording of policies and communications.
- To meet legislative requirements for equality and anti-discrimination.
- To provide alternative means of communication when appropriate.
- To encourage, promote, value and celebrate cultural diversity.
- To increase the representation of specific groups at different levels of the organisation where appropriate.
- To encourage and support the different needs of workers to ensure flexibility and a balanced work-life relationship.
- To develop a workplace culture that is free from discrimination and harassment.

Example: embrace workplace diversity

An automotive manufacturer employs 1,500 workers on its assembly line, including workers from different ethnic and religious backgrounds.

As part of their employment contract, workers are entitled to one day off per month in addition to their annual leave entitlements. To minimise disruption to production, the company sets the dates for these programmed days off (PDOs) at the start of the year.

The HR manager reviews the data about ethnic backgrounds and identifies the major religious holidays for people from Greek, Chinese and Middle Eastern backgrounds. Wherever possible, they schedule the PDOs to align with these major holidays.



Practice task 7

1. What are your organisation's objectives relating to workforce diversity (or the objectives for an organisation you are familiar with)? List at least three objectives. If the organisation does not have specific diversity objectives, write some recommended objectives.

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2. For each of the objectives you listed, explain how achieving the diversity objective will contribute to the overall business objectives.

2E

Define strategies to source skilled labour

If your organisation is finding it increasingly difficult to source the skilled personnel required to meet its objectives, you need to develop strategies to position the organisation as the employer of choice, to attract skilled workers from other organisations.

However, no matter how well your organisation promotes itself, you may not be able to attract enough skilled staff from other organisations. You need to develop a range of further strategies, including training existing staff and recruiting.

Train existing staff

Since entry level, low-skill jobs are usually easier to fill than positions for skilled workers, training existing staff to meet future needs is a valuable strategy. These workers can then be monitored to identify suitable candidates for training and development to move into more-skilled positions. These individuals may be identified at the initial recruitment phase or through their work appraisals. This process of identifying and training internal personnel to fill vacancies is also called succession planning.

Recruit

You need to predict when your organisation will have increased demand for skilled labour. This may involve analysing the business plan or maintaining contact with operational managers about their requirements.

Recruitment activities need to be timed to allow for the recruitment process and any training activities required to make the personnel 'job ready' when needed.

Internships

The strategy of setting up recruitment centres at universities and other training organisations is very similar to the way national sporting associations recruit; they source the best candidates before they are in the workforce. Usually the organisation first in with the best offer gets the recruit.

Selecting the candidate with the best potential and signing them up for an internship allows the organisation to prepare the candidate for a graduate role while it assists them through their studies. You will need to identify some conditions for the intern to be approved to work for your organisation. For example, an administration intern may need to be able to perform basic tasks associated with the area they will be working in.



Outsource

Outsourcing strategies can be twofold.

Outsource recruitment process

You can outsource the recruitment process to a specialised recruitment agency. An agency can conduct the whole recruitment process from advertising through to selecting the best candidate, which frees up your workforce to concentrate on its main tasks. They also offer a degree of anonymity to the potential candidate. This means an employee of another firm may be more inclined to apply, since there is less chance of their current employer finding out.

Outsource the function

You can outsource the function that you require the employee for, such as those tasks that may be considered non-core; for example, facilities maintenance staff, canteen staff, cleaners and transport or delivery roles. In some cases this can be a more economical strategy, especially in short-term projects; however, you do lose a degree of control over the day-to-day tasks.

Advertise

Your advertising strategy has a large bearing on the pool of potential candidates you attract. To attract the best candidates, you must grab their attention and let them know why you are the best organisation to work for.

You can reach appropriate candidates by using industry newspapers, publications, websites and blogs. Well-written advertisements and inviting candidates to contact you before applying increase the quality and quantity of candidates. Consider setting up your website so potential candidates can register, create a profile and upload a resume. This is an efficient and easy-to-monitor strategy that also provides privacy and confidentiality for the candidate.

Example: identify recruitment needs

A large rubber company is moving into an exciting time. They have just signed their first contract to supply rubber products to New Zealand.

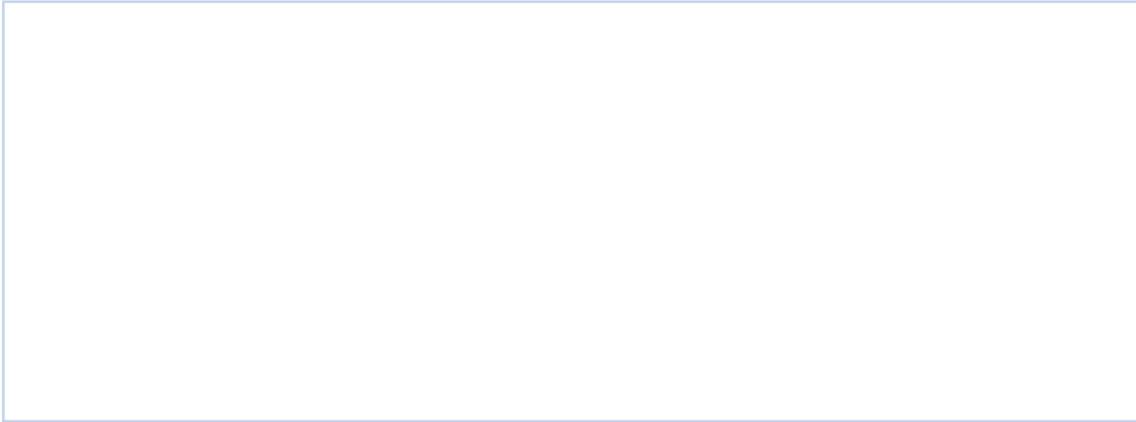
At the end of each of the two shifts in the factory, the production line stops one hour early to do preventative maintenance on the machinery. To meet the increased production demand, however, management decides to change this practice and have both shifts use this time for production. A maintenance team will come in after the night shift and conduct the maintenance.

Stavros is tasked with developing the strategy for sourcing the required skilled labour. He researches the possible options and finds that the machinery is very specialised and the only local workers with knowledge of the machines already work on the production line. Stavros identifies a team of workers with the required attributes to become the maintenance crew and begins the process of recruiting replacement production line workers.

Practice task 8

Research at least two graduate internships, traineeships or sponsorships that are available with local employers.

What conditions do the successful applicants need to meet that will aid the sponsoring organisation?



2F

Communicate objectives and rationale to stakeholders

Good communication between the organisation and its stakeholders is important to the success of any workplace change. The old adage of ‘Tell them only what they need to know’ is no longer acceptable. In an economically unstable environment, it is vital for management, the workforce and stakeholders, such as unions, to work together to ensure required change happens as appropriately and smoothly as possible.



Stakeholders

Every situation has its own set of stakeholders, including organisations undergoing workforce rationalisation. Each of the stakeholders needs to not only receive information or data on the proposed changes, but also be able to contribute to the process. Stakeholder meetings provide an opportunity to discuss changes that may affect them.

Stakeholders may include:

- senior management
- staff
- industrial relations authorities
- unions
- customers or clients
- recruitment agencies.

Objectives of change

The objectives of any change needs to be communicated in an open and transparent manner. It is the nature of human beings to resist change imposed by others. For change to occur with the least disruption, people need to understand why and where the change is headed, the advantages of the change and the impact it will have on each individual. The clearer the communication, the more likely it is that the change will happen smoothly. The following outlines some communication strategies that can be used when introducing change to the workplace.

Change communication strategies

- Understand and gain consensus for the requirement for workforce change.
- Explain the rationale for workforce restructuring.
- Gain support from key decision-makers.
- Inform all stakeholders of the progress of any programs.

The rationale of change

Research on change has found that change programs fail if employees do not grasp the reason behind the change. When communicating the rationale for a change in staffing, the employees and other stakeholders need to know background information so they can see the need for the change. You may need to discuss issues such as customer feedback, technological changes, economic conditions, declining market share or shareholder concerns to explain why there is a need to decrease or increase staffing and why the change is being implemented in the way it is. Staff meetings, information sessions, weekly bulletins, articles on the intranet, team meetings and question and answer sessions are some of the ways this information can be disseminated.

Example: explain the rationale for change

A large department store chain is falling behind its competitors in the number of customers coming through its doors. Senior management commissions customer research to determine why it is losing its customer base. One reason highlighted is the time taken at the checkouts. To address this issue, management decides to change a percentage of the checkouts to self-service consoles.

The effect on the workforce is a reduction of staff required for each shift. Rather than a policy of layoffs, it is decided that store managers will reduce the hours of all affected employees.

Senior management then ask the HR department to prepare a presentation and distribute leaflets explaining the rationale for the change and to present this information to all employees at each store.



Practice task 9

Has your organisation (or an organisation you are familiar with) undergone any changes in the last 12 months? If so, create a rationale statement for the process they undertook and describe how the process was communicated to the relevant staff and stakeholders.

If not, identify an organisation that has done so and complete the task with reference to their situational change.

2G

Obtain agreement and endorsement for objectives and establish targets

Once the stakeholders understand the objectives of, and rationale for, the proposed changes, the next step is to obtain agreement for your course of action and endorsement of your plan. The final step is establishing the targets.

Before your workforce plan can be implemented, you need to obtain agreement and formal endorsement from relevant stakeholders. Consult stakeholders as early as possible to provide an opportunity for all concerned to explore the options and consequences of the proposed change. Stakeholders can be internal as well as external.

Here are some internal stakeholders you may need to contact, and the reason for contacting them.

Human resources

As the people who have designed the objectives and will implement the changes, the role of human resources staff in the agreement and discussion process is to explain where the company is headed and the rationale for workforce change.

Department heads

It is important for department heads to be involved because of their specialised knowledge of their departments, their areas of expertise and the employees under their direct control.

Senior management

The discussion has to include senior management in the process as no changes can be implemented without their final approval.

Other worker representatives

Other worker representatives such as lawyers or a committee made up of a cross-section of the employee base may need to be included in discussions.

External stakeholders

External stakeholders need to be communicated with if you want to ensure you gain full agreement to implement a workforce plan.

Here are examples of external stakeholders you may consult with.

Unions

Unions are often included in the process as a representative of the general staff. It is the union's responsibility to ensure the interests of employees are protected and workers have a voice in a process that is likely to affect them. This becomes especially valuable when the changes involve:

- workplace agreements
- restructuring
- enterprise bargaining
- downsizing
- redeployment
- redundancies.

Government resources/departments

Fair Work Commission may be an external stakeholder. This department can assist in ensuring the company is developing its workforce plan in line with legislative requirements.

Establish the targets

Part of your proposal will include targets for recruitment, retraining or retrenchment/redundancies. These must be negotiated with relevant parties, including management, employees and/or their representatives and unions. This is a critical factor in the process, as failure to consult could lead to negative outcomes for the organisation, such as industrial or legal action.

Once all parties are in agreement, it is then a matter for the HR department to work out the details, organise paperwork and set up the trialling and implementation stage.



Employers are required to consult with employees when making decisions about redundancy, in line with legislative requirements.

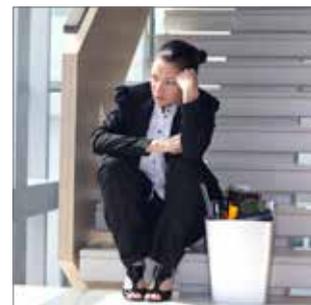
Example: the importance of communication

An employee works in a television newsroom. She receives no warning that she is to be made redundant until the day of her dismissal. The employer had made the decision to make either the employee or one of her colleagues, or possibly both, redundant some six months earlier.

The employer's reason for not notifying and consulting with the employee was the fear that it would cause unrest and concern among other staff about the security of their own jobs. The employee claims she has been unfairly dismissed because of the process that was adopted and, in particular, the lack of consultation.

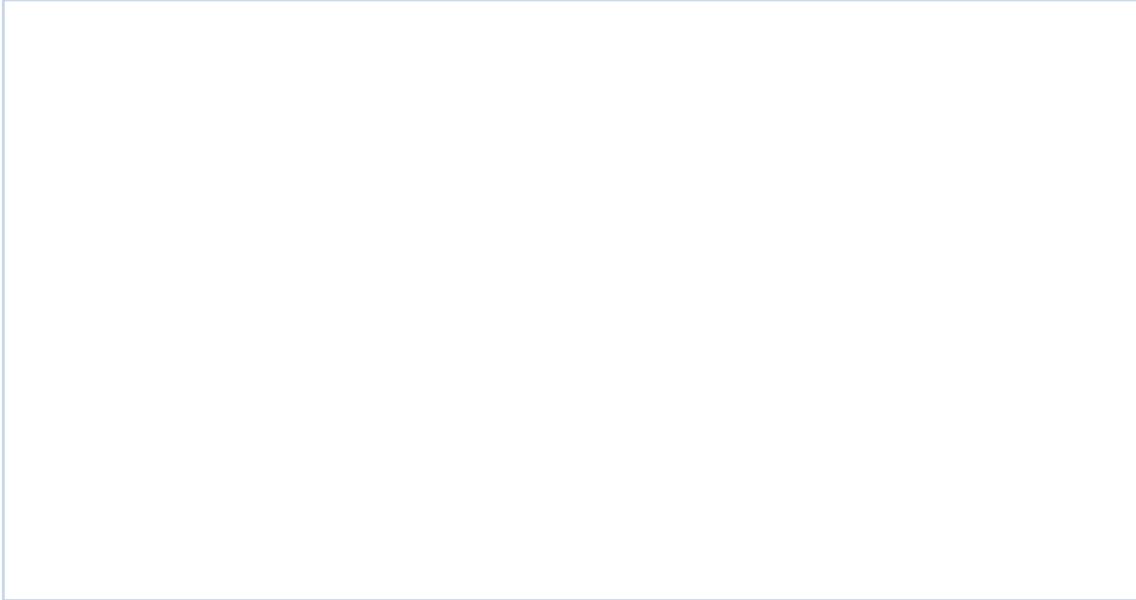
It is found that the employer's concern was no excuse for the deliberate disregard of its obligation to consult. The judge finds that the requirement to consult with employees who an employer intends to make redundant is not fulfilled by the employer simply telling the relevant employee that they are being made redundant. It involves giving the employee a bona fide opportunity to influence the decision-maker.

The concept of 'consultation' involves giving an employee an opportunity to respond to the employer's stated intentions, allowing the employer to make an informed decision, particularly as it may affect the employment prospects of the individual concerned.



Practice task 10

Identify a recent event at your workplace, or one you are familiar with, when agreement needed to be obtained for a change in human resource allocation (or appointment). Describe how agreement was obtained, who it was obtained from and how the relevant objectives and targets were discussed and communicated.



2H

Develop contingency plans to cope with extreme situations

A contingency plan is a collection of measures that defines how a business will continue or recover its critical functions in the event of an unplanned disruption to usual activities. It is a process by which a business can assess its operations to determine how well it can function when key resources, such as personnel, are not available.

When writing a contingency plan, use the knowledge and input of employees. It is useful to establish a planning team to share the responsibility among key personnel. This is important because key employees will be a critical part of any recovery strategy that the business puts together. It should include the business's risk-management goals, a summary of the business's risk assessment and the selected risk-management strategies addressed in the plan.

Analytical and critical thinking

Before the development of a contingency plan, it is paramount that you are able to use analytical and critical thinking processes to enable you to formulate such contingencies. There may be a time where you will be required to address unacceptable staff turnover or to cope with an extreme workforce situation.

These thinking skills enable us to develop an insight into what the expected outcome from a situation will be. Any situation that arises within an organisational workforce will need to be carefully evaluated so that you are able to check for any hidden bias or assumptions and weigh up your opinions to generate the most appropriate solution.

Being an analytical/critical thinker means that you are able to:

- identify the main reasoning behind the situation
- critically evaluate the reasoning behind the workforce problem
- clearly evaluate the evidence
- look for bias.

Steps for developing a contingency plan

There are several models for developing contingency plans but there are some basic steps and information that you should include in your plans. Here are the key steps to ensure you cover all aspects of the contingency plan.

Contingency planning
Determine risk management goals.
Conduct a risk assessment.
Do a business impact analysis.
Formulate risk management strategies.
Maintain your contingency plan.

Determine risk management goals

Risk management goals must be identified and documented to reduce staff and management uncertainty. Clearly documented risk management goals can also help manage business opportunities.

Here is an example of the goals set by an organisation managing a staff increase.

Risk management goals when increasing staff levels

Reduce human factor risks by arranging for police checks to be conducted on final-stage candidates.

Reduce project and financial risks by completing the recruitment process in incremental stages, in line with the project stages.

Conduct a risk assessment

A risk assessment identifies potential risks that may arise and assesses the likelihood of the risks occurring and the potential business impact of the risks if they do occur. You then need to prioritise the risks and develop risk management strategies and/or contingency plans for each of the prioritised risks.

Workforce planning risks

- Death
- Disability (temporary or permanent)
- Management error/incompetence
- Poor employee management

Contingencies

There are various areas of the business that need to be considered as part of the contingency planning process. There are contingencies that need to be undertaken to ensure effectiveness of staff training, recruitment and redeployment. Here are common risks that should be identified and assessed to develop contingency plans.

Financial crisis

- Short-term liquidity or cashflow problems
- Long-term bankruptcy problems (including the effects of fraud or embezzlement)
- Any resulting redundancies or retrenchments caused by financial instability

Public relations crisis

Negative publicity that could adversely affect the success of the company, including death of workers, large-scale retrenchments or the effects of industrial espionage.

Strategic crisis

Changes in the business environment that call the viability of the company into question; for example, new technology or hostile takeovers.

External effects

- Fire
- Power cuts
- Building damage/collapse
- Terrorist activity
- Targeting of key personnel
- Police intervention

Rating risks

Determine the events that could harm the business or inhibit it from reaching its goals. Consider how likely it is that the event will occur, on a scale of one to ten. A rating of one signifies that the event has a low probability of occurring, whereas a rating of ten signifies a high probability. For example, a health and safety officer in an abattoir may identify an injury on the job as a possible risk and rate the likelihood of that happening as an eight. The next step is to determine the impact or consequence of that event on the business.

Do a business impact analysis

Determine what impact serious staffing problems will have on your organisation. The impact of an event on a business can be assessed in three interrelated ways: operationally, financially and legally.

Here are the three ways an event may negatively impact an organisation.

Operating impact

Loss of operating efficiency such as a decrease in sales volume.

Financial impact

Loss of customers, increased costs and cashflow problems.

Legal impact

The inability to fulfil business contracts with suppliers, customers or vendors.

Formulate risk management strategies

After the organisation has identified the risks to the business, their probability and consequences, prioritise these threats and establish risk management strategies. Each strategy should explain the roles and responsibilities of everyone involved in the recovery of an event and the procedures to be followed if that event should occur.

The main questions to be answered are:

1. What resources are required to continue to perform critical functions?
2. How can the business decrease the likelihood of an event occurring?
3. How can the business lessen the impact of an event?

Rule of redundant systems

It is essential that you employ the ‘rule of redundant systems’ – every critical system should have a redundant back-up system. When the failure of a system would cause serious harm, there should be some substitute means of performing that system’s functions. In a crisis situation, there should be various means of communicating with staff and authorities in case one communication system fails. Applying this to workforce planning means organisations should have a back-up plan in relation to recruitment and staffing that is appropriate for the circumstances; for example, a pool of casual workers or a key staff member trained to take over another person’s role at short notice.



Maintain your contingency plan

Keep the contingency plan up to date and revise it at least once a year. The plan should reflect any changes in the business. You should help identify ways to keep the plan fresh and relevant.

Example: contingency planning

An engineering company won a multimillion dollar contract to supply ship components to the Navy and quickly started a recruitment plan they had developed, for 30 new machinists in the seaside port of Bizport.

Unfortunately, at the same time their contract was awarded, another large maritime engineering firm in Bizport also won work on the same project (building eight large destroyers), and had been more proactive in recruiting skilled labour. The other engineering firm had attracted almost all the machinists from all over state. Only about 10 per cent of metal machinists had the qualifications to work on shipbuilding projects (special marine welding qualifications), and around 97 per cent of these were already employed elsewhere.

In the process of developing their workforce plan to meet the probable contract targets, the managers had built in a contingency for a lack of adequately skilled workers. The company contingency was organised in close consultation with the government and involved employing 30 shipbuilding machinists from shipyards in another country. Had the company not been prepared for such a contingency, the process of seeking visas and permits from the government may have prevented them from delivering on time.



Practice task 11

Compose a threat assessment for your workplace (or a workplace you are familiar with) in relation to staffing. You can use a template or design your own. Consider what risks there may be to your workforce and how likely such risks are. Add a few sentences addressing how you would compensate in the case of the risk materialising.

Summary

1. Every organisation should have a strategic plan to manage its workforce.
2. The workforce plan should detail how the workforce will be structured as the organisation moves towards its objectives. Whether the workforce will grow, remain the same or downsize will be determined by the objectives you establish to meet the organisation's requirements.
3. An organisation must identify why staff leave and address areas with unusually high staff turnover.
4. It is crucial that managers identify ways they can retain skilled labour, such as ensuring an innovative and stimulating work environment, offering reward programs, providing challenges and offering appropriate career paths.
5. By law, every organisation must value and accommodate diversity and define its objectives and strategies for cross-cultural management. Diversity programs can help keep talented and valuable staff and place the organisation as an employer of choice.
6. Strategies for sourcing skilled labour include internships, outsourcing, training existing staff and recruitment campaigns.
7. All stakeholders in the workforce need to be informed about the organisation's workforce objectives and rationale for change so they understand why changes may need to be made.
8. You need to obtain approval for any workforce planning you undertake, including objectives and staffing targets, and have your action plan endorsed by management.
9. Contingency plans for managing the workforce are essential, especially in the event of situations such as death, disability, management error and poor employee management resulting in loss of staff.

Learning checkpoint 2 Develop workforce objectives and strategies

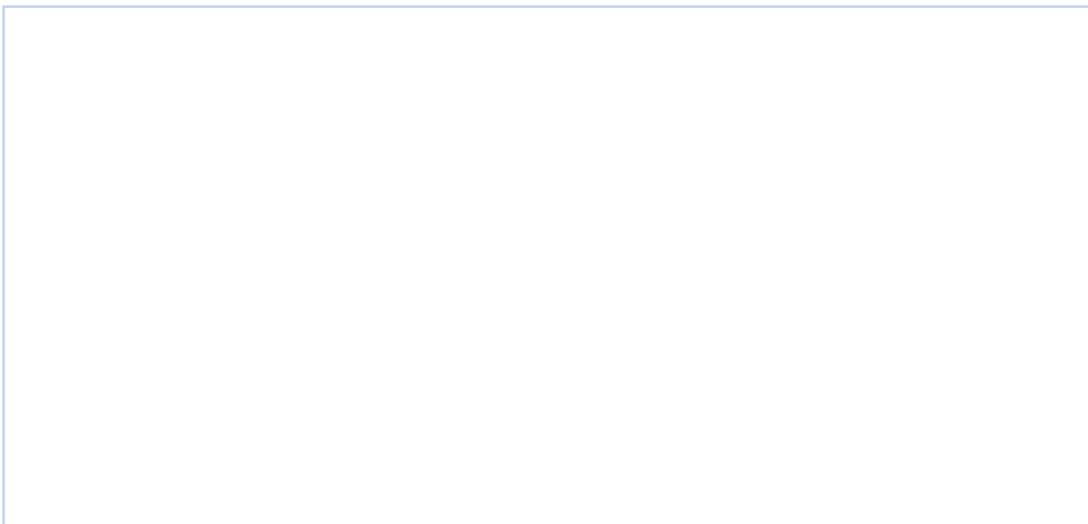
This learning checkpoint allows you to review your skills and knowledge in developing workforce objectives and strategies.

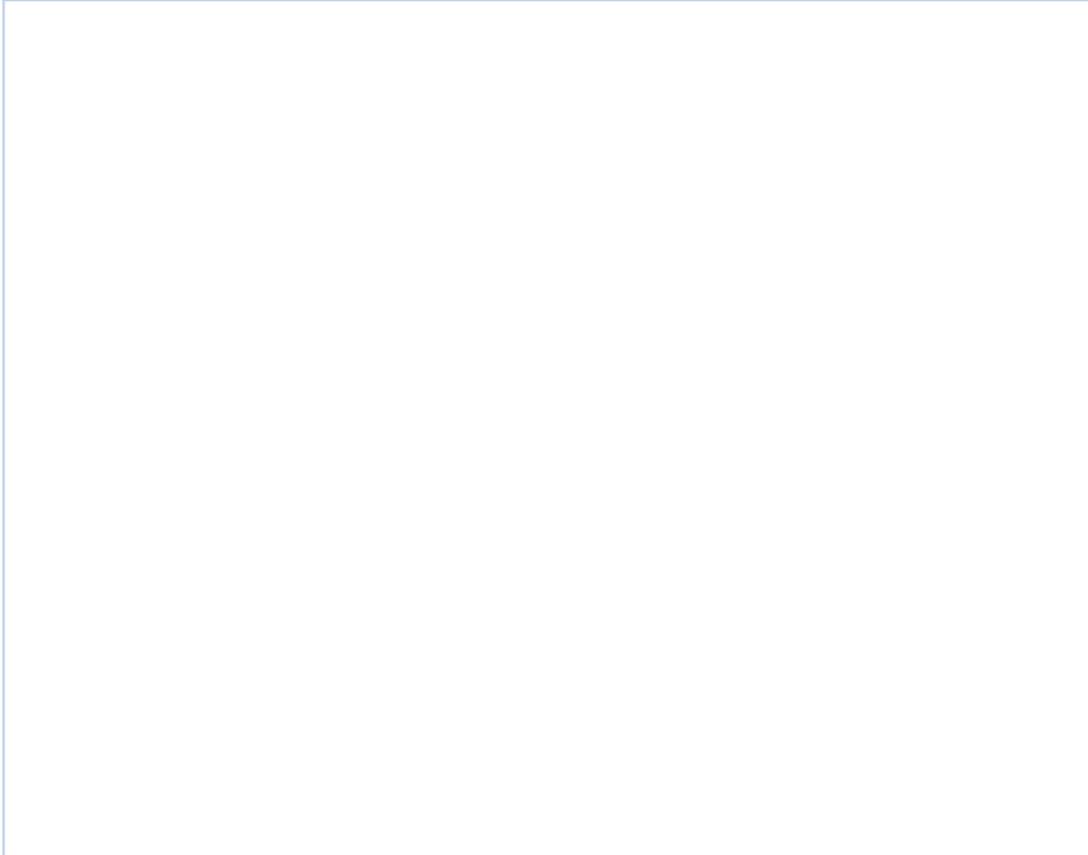
Part A

1. List common objectives for modifying a workplace and retaining a workforce.

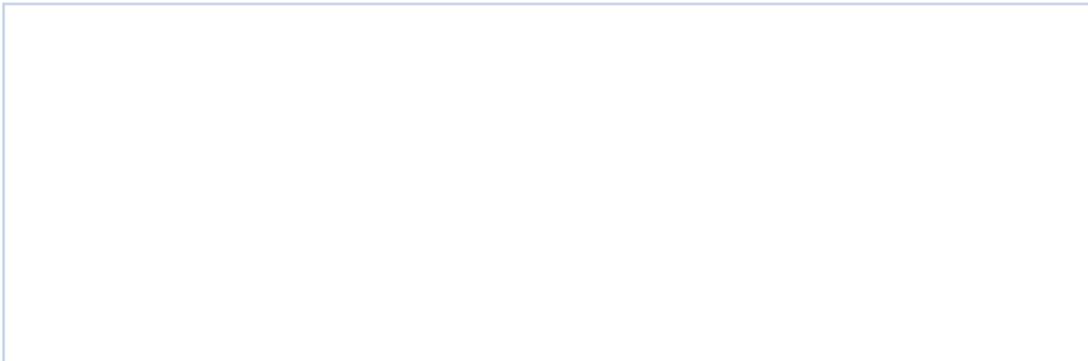


2. What are the major reasons for high staff turnover? Explain how they may be avoided.

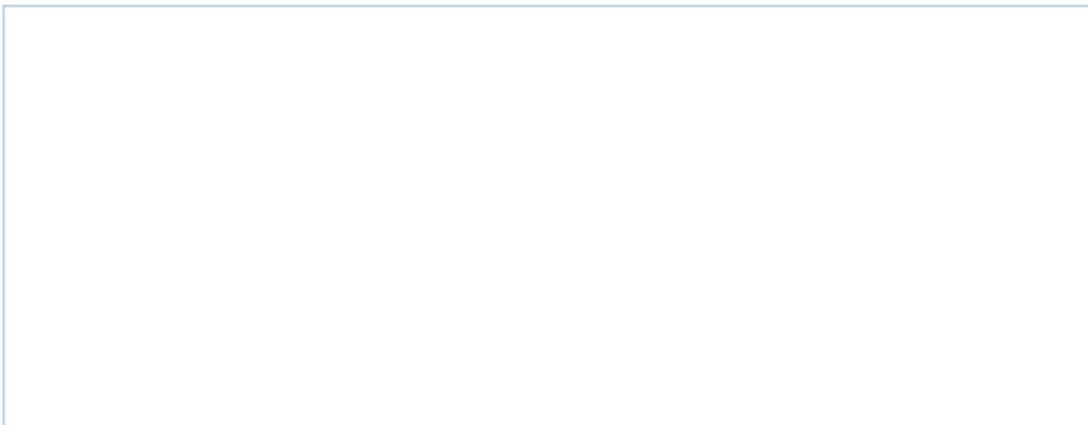




3. Describe strategies you may establish to retain skilled labour.



4. What steps could you take to minimise extreme risk factors in relation to staffing?



5. What are some of the strategies you could use to source skilled labour?

6. Why is it important to set objectives relating to diversity and cross-cultural management? Give examples of two objectives relevant to your organisation or one you are familiar with.

Part B

Read the case study, then complete the tasks that follow.

Case study

An organisation needs to reduce its workforce. Rather than enforcing redundancies, executives hold a stakeholder meeting to ensure that the best outcome can be achieved for everyone. They refer to their strategic plan for downsizing.

After much discussion with the union, an agreement is reached and all parties involved are happy to endorse the outcome of the meeting. It is agreed that three positions will be made redundant in specific areas of the organisation.

One of the staff members in a specified area is due to retire and opts to take early retirement. A staff member in the second targeted area has been studying computer science and is happy to be redeployed to the IT department to fill a vacancy. A short-term employee is identified to be made redundant in the third area. As part of her redundancy package, she is enrolled in a TAFE course to help boost her work skills and find another job in her chosen field.

1. Explain why the union may have been involved in the meeting.

2. What effect would this round of redundancies have on the remaining employees in the targeted areas and how could you ensure that these employees overcome the effects of downsizing?

3. What are the possible underlying organisational objectives for downsizing?

Part C

Prepare a portfolio of evidence that demonstrates your ability to develop workforce objectives and strategies. Include the following four pieces of evidence.

1. A strategy you have used to source and retain skilled labour and how successful it was.

2. A graphic representation of your organisation's workforce showing its diversity in terms of age, culture, experiences and so on, and how this aligns with the organisation's policy and objectives on diversity and cross-cultural management.

3. A communication you have prepared for stakeholders describing a staffing issue.

4. A contingency plan you developed and implemented to recover a potentially difficult staffing situation; for example, a poor recruitment process.

Topic 3

Implement initiatives to support workforce planning objectives

An innovative and forward-looking organisation finds ways to support its workforce to ensure it is stable, productive and satisfied. More and more employers are introducing 'employer of choice' incentives to ensure that current employees stay and continue to contribute to the organisation.

Having a succession process in place is sound management practice. Drawing from the talent of the current workforce and preparing likely employees for future positions within the organisation helps retain knowledge and saves on recruitment costs. This is especially important in times of economic uncertainty.

In this topic you will learn how to:

- 3A Implement action for recruitment, training, redeployment and redundancy
- 3B Develop and implement strategies to assist the workforce to deal with change
- 3C Develop and implement strategies to assist in meeting workforce diversity goals
- 3D Implement a succession planning system
- 3E Implement programs to ensure the workplace is an employer of choice

3A

Implement action for recruitment, training, redeployment and redundancy

As a manager, you have a key role in effectively managing your workforce – identifying skills gaps; recruiting, inducting and training new employees; and reducing your team when necessary through a redeployment or redundancy program. Succession planning is also a crucial aspect of a manager’s responsibilities, regardless of whether you are accountable for a team or an entire organisation.

Identify skills needed

The selection of key skills needed for success is often the first step in putting together a workforce management plan. This begins with analysing the organisation’s strategic plan and related documents to establish what is necessary to achieve the organisation’s goals. Use a variety of methods to gather information for this stage, such as interviewing high-performing staff, consulting with experts in each domain, discussing job requirements with incumbent staff or contacting unions if required.



The results of this process inform the development of job descriptions and selection criteria. These need to be regularly reviewed and updated to ensure currency.

Review current competencies

Employee competencies should be reviewed regularly through assessments and skill audits to ensure you have an effective workforce that can readily adapt to change in the business strategy or organisational structure. Assessment techniques may involve performance appraisal data, feedback instruments, personality and psychological testing, analysis of work samples, simulations and role-plays.

Participants should always be informed of their results, including strengths and development opportunities such as in-house training, formal education, job assignments, project-based work and mentoring. Such a process engages all participants in continuous learning.

Identifying and developing internal talent can also help cultivate a higher level of stability in management and meet both long-term and immediate staffing needs. With supportive human resources systems in place, decision-makers will have access to a comprehensive account of a staff member’s performance when assessing them as a candidate for a position.

Recruit new staff

If your research indicates that new employees are needed, make sure those you delegate recruitment responsibilities to understand and follow the organisation’s policies and procedures and legislative requirements for advertising, interviewing, selecting and inducting. You need to provide training to ensure everyone is familiar with these processes.

Manage redeployment and redundancy

In some circumstances, you will have to implement strategies for reducing the workforce. This requires good communication between management and employees to get through the process with the minimum of distress, as the threat of redundancy can be very disruptive to employees.

You can read more about workforce planning at this website: www.workforceplanningtools.com.au



Redeploy employees

If the situation is temporary in nature (and because redundancies can be expensive), it is worth considering redeployment first. Redeployment refers to moving staff between different divisions of the company and benefits the individual and the organisation as a whole. It can be a way to fill staff shortages in one area and reduce oversupply in another.

Redeployment depends on the full cooperation of staff and managers in the process and the provision of all necessary and relevant information to support assessment and decision-making. For redeployment to be successful, staff are expected to undertake appropriate training and to exercise flexibility in considering available opportunities.

Organisations are required to redeploy employees within their enterprise or an associated entity if they can, rather than make them redundant. Making an employee redundant when redeployment is possible may be deemed an unfair dismissal by the Fair Work Commission.

Implement redundancies

If it is not possible to secure alternative employment for staff through your redeployment policy and redundancies are the only alternative, your organisation needs to have policies and procedures ready to ensure minimal disruption to the organisation. Always keep stakeholders informed and involved in the processes; you may need to conduct interviews with individual staff members.

Here are some things to address when designing processes and policies that relate to staff redundancies.

What to address when designing a policy

- Consultation process
- Measures to avoid or minimise disruption
- Compulsory and voluntary redundancies
- Redeployment, retraining and job search assistance packages
- Severance payments and superannuation
- Near-retirement age redundancies
- The social impact of redundancies

Fair Work Commission

Any redundancy policy must meet Fair Work Commission requirements to ensure it is a genuine redundancy. Most awards, enterprise agreements or other industrial instruments specify the entitlements for redundancy. Review these documents in detail when designing a policy.

You can read more about redundancy on the Fair Work Commission's website, at: www.fwc.gov.au/resolving-issues-disputes-and-dismissals/dismissal-termination-redundancy.

Example: implementing action for training, redeployment and redundancy

A large corporation has changed its way of doing business dramatically in the last 10 years and because of this, many of its employment needs have changed as well.

After analysing their current and projected workforce needs, management finds that they have several staff members whose positions will be non-existent within five years. Some positions will be vacated through natural attrition, but there are still 20 personnel who they will need to lay off or redeploy.

They hold a meeting with the employees and explain the situation, offering early retirement, voluntary redundancy and retraining in other areas. The exercise is very successful and they only have to downsize two employee positions involuntarily.

One of the other factors to emerge from the workforce evaluation is the high cost of retraining staff. To counter this, several measures are introduced to bring the organisation into the 'employer of choice' category. These include professional development plans, external training scholarships and rewards for entrepreneurial suggestions.



Practice task 12

1. Your employer has asked you to develop a plan to reduce staff by 20 per cent. What processes do you need to implement?

2. Research examples of best practice policy on the internet. What strategies might you use to ensure you develop sound policy that meets with best practice principles for redundancy?

3B

Develop and implement strategies to assist the workforce to deal with change

Nothing remains static, and all organisations are constantly subjected to change in one form or another. This may be a change brought on by external economic conditions, a restructure, a culture change or staff resignations. Such changes can be disruptive and harmful unless there is a planned program to deal with the new situation or procedures the change has brought about. Staff members are likely to be worried about their future or unsure of their ability to cope with new tasks. The best way to support staff is to have plans and policies in place that will aid the staff in the transition process.



Communication

Whenever there is change in an organisation, there may be uncertainty, insecurity or even anger. Rumours may also spread, which increases the anxiety being felt. It is important for the morale and the retention of staff that their needs are considered when they will be directly affected by the change.

People may have to adjust to new roles, responsibilities or procedures; a different team or organisational structure; or increased or reduced work hours. Each of these circumstances requires a manager to communicate clearly, show empathy, demonstrate leadership and provide ongoing support. For ethical reasons, it is essential that employees are kept informed if your organisation has to implement redundancies. The consultation process should set out information about what the organisation needs to achieve.

Here are consultation obligations according to the Fair Work Commission.

Consultation with employees

Notify employees who may be affected by the proposed changes.

Provide the employees with information about these changes and their expected effects.

Discuss steps taken to avoid and minimise negative effects on the employees.

Consider employee ideas or suggestions about the changes.

Redundancy process

Having a sound process in place will aid the organisation in supporting staff through what can be a very difficult period. There are several ways of managing the redundancies, including voluntary early retirement, voluntary redundancy, redeployment, retraining and natural attrition.

Here are points to consider when implementing the redundancy process with employees.



- Have some input into the process
- Receive as much notice as possible
- Have access to counselling
- Understand the process
- Are aware of their rights and obligations
- Know where to go next; for example, a specialist recruitment agency

Provide training

Training is a critical component of any strategy for assisting staff to deal with workforce change.

Here are the different ways staff can receive training.

Training options to aid workforce change

- Establish a mentoring process to provide encouragement and guidance.
- Develop an employee's formal qualifications to help them adjust to new responsibilities.
- Prepare people for the next major step in the organisation using training, work-based experience and mentoring programs.
- Prepare employees for the increased stresses and responsibilities that come with a job change.
- Provide coaching to provide support.
- Implement redeployment strategies.
- Retrain staff when a redundancy is made to help the person find employment elsewhere.

Provide counselling

Organisational change involving a change or loss of position can be very stressful for staff – not only for those who have been redeployed or made redundant, but also for those who remain. Therefore, it is important to make every effort to minimise stress by keeping staff well informed, offering personal counselling and assisting staff members to present their skills in a positive way.

Many organisations outsource this counselling to behavioural and occupational psychologists (such as the Employee Assistance Program) to ensure that the impact on staff is as minimal as possible.

Example: decreasing the workforce

For two decades, a major manufacturing firm has grown rapidly, but a sudden and sharp stock price decline dramatically signals the beginning of a new era for the firm. Senior line managers and the vice-president of human resources determine their projected staffing needs for the next two years and realise they need to go through a major transition and dramatically reduce the number of staff. However, rapid lay-offs are viewed as being inconsistent with the company's organisational values.

A taskforce of line managers develops a strategy and general guidelines for the process. This ensures some uniformity across different units within the corporation, establishing performance as the primary criterion to be used when making cuts and intentionally choosing not to rely on seniority. The taskforce also develops several programs – counselling employees, teaching them career planning skills and training managers to be supportive during the job search process. Retraining is offered to employees who can be transferred within the company. Transfer opportunities are identified using a computerised system that matches a person's skills to available jobs, facilitating the reassignment of employees within the firm. Over two years, the workforce is decreased.



Practice task 13

What programs could organisations have in place to assist staff in times of change?

3C

Develop and implement strategies to assist in meeting workforce diversity goals

To meet legislative requirements, organisations should have policies in place to ensure there is no discrimination and all people are treated equally and fairly.

Here are common goals to improve diversity and cross-cultural management in an organisation.

Diversity and cross-cultural management goals
Ensure organisations comply with legislative requirements.
Promote tolerance and new ideas in the workplace.
Improve productivity and morale.
Retain employees; for example, use flexible work arrangements to retain workers with carer responsibilities.

Identify and develop strategies for diversity

Having identified objectives for diversity and cross-cultural management, organisations need to develop specific strategies to help meet these objectives.

As with developing objectives, it is important to engage a range of stakeholders when developing strategies to improve diversity.

Strategies to improve diversity include:

- running a focus group about flexible work practices
- setting up a suggestion box for ways to celebrate cultural and religious events
- holding a workshop with recruitment specialists to identify best practices
- conducting training at all levels of the organisation.

Change workplace culture

Some organisations have entrenched cultures that resist diversity; for example, some construction environments have a male-dominated culture that discourages women. In these kinds of organisations, it is critical to obtain the support of key stakeholders who will model the required behaviour.

Cultural change also requires a consistent approach. An anti-bullying policy will not change behaviour if there are no consequences for workplace bullies. Support from senior management is required to ensure that bullies are appropriately disciplined and procedures are applied fairly.



Achieve diversity

Think about the objectives and strategies you can set to achieve a diverse workplace. Here are some examples.

Objectives	Strategies
To have a diverse workforce made up of people of varying ages, genders and backgrounds with different education, abilities and beliefs.	Have a recruitment program based on equality, diversity and anti-discrimination.
To be inclusive of everyone in the workplace through actions and wording of policies and communications.	Demonstrate respect for all staff by not tolerating discrimination. Write policies and communications in gender-neutral language.
To meet legislative requirements for equality and anti-discrimination.	Develop a code of conduct that includes respecting diversity and zero tolerance of workplace bullying.
To provide alternative means of communication when appropriate.	Provide critical information in languages other than English. Offer access to interpreters for performance management meetings.
To encourage, promote, value and celebrate cultural diversity.	Hold informal celebrations of major religious events.
To increase the representation of specific groups at different levels of the organisation to encourage and support the varying needs of workers.	Establish flexible work practices that promote the inclusion of employees with carer responsibilities.

Create diversity plans

Some organisations create specific diversity plans with performance measures for each diversity strategy they have developed. This allows the manager and those responsible for implementing the strategy to monitor its success.

Information contained in a diversity plan may include:

- a diversity statement
- diversity objectives
- relevant performance metrics
- links to relevant legislation
- an outline of the benefits of diversity
- specific actions and responsibilities under the plan.

Example: strategies and performance indicators

Strategy	Performance indicator
Recruitment and selection guidelines developed that incorporate best practice and include merit and workplace diversity principles.	Guidelines implemented and promoted to all staff. Policies reviewed to endorse diversity principles. Training on the guidelines provided.
Selection advisory committee training included in the AAT Learning and Development Plan.	Staff attendance at training sessions. Training evaluations indicate that employees have understanding of merit and workplace diversity principles.
Human resources team provides a quality and assurance (Q&A) role in all recruitment and selection processes.	Recruitment and selection processes are monitored and checked for compliance by the human resources team.
Recruitment information contains AAT's commitment to workplace diversity and encourages applications from Indigenous Australians, people of non-English-speaking backgrounds, and people with disabilities.	Applications received from Indigenous Australians, people of non-English-speaking backgrounds, and people with disabilities.
Recruitment information and selection documentation made available in accessible formats.	Recruitment information and selection documentation can be accessed by potential job applicants through various means including AAT's website, by email or by mail upon request.
Information for applicants includes provision to request assistance.	Assistance provided and reasonable adjustments made.
Promote equitable recruitment practices to maximise the number, quality and diversity of people seeking employment. Promote diversity principles to selection committees.	Selection advisory committees trained in diversity principles.
Ensure organisational structures do not impede diversity principles such as imposing criteria that unfairly limit promotional opportunities to some people, or restrict entry to a class of work.	Organisational structures scrutinised by HR manager on equity grounds. All jobs open on merit.

Reproduced with permission from the Administrative Appeals Tribunal's Workplace Diversity Plan 2008–2011. More detail is available at: www.aat.gov.au.

Practice task 14

Read the case study, then answer the questions that follow.

Case study

Ivan is a marketing graduate who is of the Jewish faith. Every Friday, he needs to be home by sunset to observe the Sabbath. He has a long commute through unreliable traffic. In winter, this means he leaves the office at around 3.30 pm on Friday afternoons.

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In a team meeting, some of Ivan's colleagues tease him about being slack and leaving early every Friday. After the meeting, Rachel, Ivan's manager, asks him to stay behind.

Rachel says she has also noticed Ivan's absences on Fridays and is not happy about them. She tells him that this is his first warning and she will be checking that he is present on Friday afternoons from now on.

1. Is Rachel's response appropriate? Give reasons for your response.

2. Imagine you are Ivan's HR manager. What advice would you give Ivan?

3D

Implement a succession planning system

Succession planning is an approach to retaining skills over time. When experienced staff members leave their job, they take their knowledge with them. An effective succession planning system aims to retain the skills and knowledge within the business through a sophisticated knowledge management system and/or a training program that establishes mentorships and other processes for passing on skills and knowledge.

The planning approach requires a detailed understanding of employee skills, knowledge and (more importantly) professional goals. Being prepared and having a succession management process in place for when long-serving employees retire will ensure the organisation doesn't lose important skills and knowledge.



Developmental focus

A key component of a succession management program is its developmental focus – identifying existing human resource strengths and connecting them to anticipated needs.

Having a developmental focus can be considered preparing for succession. When a senior or experienced member of the workforce is planning to leave your organisation, your role as a manager requires you to identify two or three probable successors to that staff member. You must then use the time before the experienced member leaves to up-skill those identified to fulfil their role, focusing on their professional development.

One of the most important determinates of any succession management scheme is cyclic re-evaluation, along with buy-in and involvement of existing managers.

Critical elements

The components of an organisation's succession management program can differ greatly, but there are several critical elements that have been identified as part of the solution to effective succession management.

Studies indicate that highly effective succession management systems involve the CEO; have the support of senior management; involve line management in identifying candidates; use developmental assignment; and link succession management plans to business strategies.

Succession management systems:

- establish competencies
- have transparent selection processes
- provide development opportunities
- provide mentoring and feedback
- support a reward structure.

Knowledge management

Knowledge management systems are tools used predominantly for the sales, marketing and research functions of a business operation; however, they may also act as the repository for workforce skills and knowledge. Databases established to track employee training and development can also be used to record employee-specific skills and knowledge that may be lost if the employee leaves; for example, if a staff member has an MBA qualification and is employed in a critical management role, the system can be used to record day-to-day decision results and use these metrics (that is, the measurable effects of the decisions) to compare against the employee's qualifications and recorded personal experiences. This can help HR managers develop a profile for possible successors, including the types of qualifications they are seeking and the types of decisions they have made in the past.



Problems with succession management

Succession planning doesn't always run smoothly. There will usually be several issues and problems that you will have to identify, record, negotiate and manage.

Here are common issues associated with succession management.

Issues with succession management

- Managers are reluctant to release top talent for development.
- Potential leaders are selected 'in one's own image'.
- Valid and objective selection processes are lacking.
- There is limited 'buy-in' by business unit executives who do not see significant benefits from an essentially corporate initiative.
- Internal high flyers may be disappointed when an external person is recruited.
- HR department credibility can be problematic if succession management is seen as the human resource area driving a program no-one wants.
- Insufficient attention is given to broad development strategies for all staff.

Example: affirmative action and succession planning

A communications company had 142,000 employees and an annual turnover of \$27 billion. Through the use of various initiatives, including succession planning, the organisation significantly improved the outcomes for women and minorities in its organisation.

Due to changing demographics in its workforce, the organisation began to redesign its established succession planning process. They made a commitment that every year at least three women and people from minority groups would be among the 20 to 40 people appointed to management. The process of identifying high potential employees required each division to submit lists of candidates in four categories: men, women, minorities and technical staff. Career development plans were prepared for each person and their progress through the company was tracked.

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A chart was developed that identified key positions and three people who could fill each one. Other key elements of the organisation's succession program included:

- career planning – individuals received guidance to set career goals and develop strategies
- guidance – managers plotted a career course for employees they were responsible for who were involved in succession planning
- informal mentoring – senior management was encouraged to seek out opportunities to mentor women and minorities.



Practice task 15

1. Use the internet to look at one example of succession management software (commercially available packaged programs). Briefly discuss the merit or disadvantages of the system.

2. Research succession plans of large organisations. How far into the future do they plan?

3. What are the critical factors you would include in succession planning?

3E

Implement programs to ensure the workplace is an employer of choice

To be an employer of choice means that people want to work for your organisation in preference to other organisations. This can be a powerful marketing tool. The elements that combine to attract potential staff are often referred to as corporate social responsibility – an organisation's continuing commitment to behave ethically and improve the quality of life of the workforce, their families, the local community and society at large.

Employer of choice programs

The concepts of being an employer of choice and practising corporate social responsibility are intertwined. Corporate social responsibility is the external reporting of how an organisation addresses its corporate responsibilities through its policies and practices. An employer of choice program refers to the internal policies and practices an organisation employs to manage corporate responsibility.

Employer of choice programs focus on:

- business ethics
- community investment
- employee relations
- human rights
- environmental sustainability.

Business ethics

A company that can demonstrate a solid ethical base can attract employees through what it does not do, as much through what it does do. The word 'ethical' cannot simply exist in business documentation – it must be demonstrable in actions the company takes every day when dealing with clients, staff and suppliers. For example, an organisation with a stated recycling plan may choose not to invest in, or partner with, companies that clear old-growth forests, engage in wasteful practices or pollute extensively. A company can let a potential employee know they are serious by publishing or publicly displaying a code of ethics or ethical behaviour.

Community investment

An investment in the community is positive for an organisation's brand as well as making it an employer of choice. Few people gain satisfaction from working for an organisation that is seen as cheap or tight-fisted. Small organisations that sponsor local sporting teams and donate to local charities are seen in a positive light, as good community citizens and good employers.

Here are two companies that successfully invest in the community.



Bendigo Bank

Expanded their business by investing in local communities and providing face-to-face transactions lacking in other banks.



IGA Supermarkets

By promoting themselves as locals and investing in community groups, they differentiate themselves from the bigger supermarket chains.

Employee relations

Successful organisations ensure their staff are productive, satisfied and happy. Developing better employee relations includes improved communication and understanding, clearer job roles and job descriptions, and better training and development.

Many forward-thinking organisations are also reaping the benefits of providing work-life flexibility for their employees. Work-life flexibility is about striking a balance between the needs of the employee, business and customer. It does not have to mean a reduction in productivity or all employees working different hours.

Work-life balance

For work-life balance initiatives to work, all parties need to work together to implement more innovative ways of working by accepting the employees' need for life outside of work, whether for sport, recreation and relaxation, or to spend more time with family.

Here are examples of work-life balance initiatives.

1

Flexible arrangements

Job sharing, leave options, working from home.

2

Compressed work-week

Employees may take time off without pay as their workloads permit.

3

Compensatory time

Employees may add hours to their work schedule during peak work periods that can later be used for compensatory time off.

- 4 Outcome-based schedule**
Employees are accountable for projects, work assignments and tasks completed, rather than the number of hours worked or time spent onsite.
- 5 Employee assistance**
Subsidised housing or rent, low interest loans, in-house child care.
- 6 Health/wellbeing programs**
Company fitness programs, health plans or company outings and family days.
- 7 Personal/professional learning**
Education and study incentives.
- 8 Other**
Employee reward systems, diversity policies, communication (a two-way open channel between company and employee).

Costs of turnover

Work out the potential costs to your business of a high employee turnover rate. Do you have strategies for encouraging employees to stay with your business? Work out what motivates and rewards individual employees. Decide whether your business would benefit from providing more flexible working arrangements such as part-time hours, job sharing or working from home. Once you have identified these strategies, you can better support your employees in the workplace.



Human rights

Human rights in the workplace relate to discrimination and harassment and how an organisation approaches these issues. A company with a strong anti-discrimination policy will attract skilled migrant workers. Employees are more likely to stay within an organisation that handles discrimination fairly and promptly.

You can read more about human rights at the Australian Human Rights Commission's website, at: www.humanrights.gov.au.

Environmental sustainability

It makes good sense in business today to be 'green'. Recycling, lowering power consumption and water usage, and engaging in sustainable practices are all seen as part of being an eco-friendly member of the global community. As many governments penalise organisations for not embracing environmentally friendly options, it also makes financial sense.

Having both a positive stance towards eco-friendly practice and a corporate or organisational policy encouraging sustainability will attract a wider scope of workers.

Example: workplace gender equality

An IT recruitment company that promotes gender equity received an Employer of Choice for Women (EOCFW) citation from the Workplace Gender Equality Agency.

The company runs a 'Women in Business' program. This is a planned development program that runs across their offices in capital cities. This program has encouraged women to participate in their Future Leaders program (60 per cent of program participants are now women), as well as in formal mentoring programs (63 per cent of mentees are female).

The program builds on provisions addressing barriers to women's advancement including up to 30 weeks' paid leave, external resources for women transitioning into and from leave, and on-site support as required.

Other initiatives at the company include flexible work hours and work-from-home arrangements. Their records show that these initiatives have resulted in a 10 per cent increase in female employee engagement, helping retain talented employees.



Practice task 16

Compile a list of the strategies and processes you would implement in your organisation (or one you are familiar with) to become an employer of choice. For ideas, there are many online articles on success in employee satisfaction and how it can be achieved.

Summary

1. To implement a workforce management plan, you need to identify the skills required, review worker competencies, recruit staff and manage redundancies, retraining or retrenchments.
2. Key tasks are to identify areas of high staff turnover, define objectives and develop strategies to retain skilled labour.
3. Strategies should be in place to help implement the organisation's goals for workforce diversity.
4. A workforce plan that implements change needs to be supported by the workforce. As a manager, you need to maintain open communication with the workforce and provide training and counselling for relocated workers.
5. Succession planning prevents an organisation from developing gaps in critical skills. A developmental focus means developing candidates for succession from within the organisation, lessening the need for external recruitment.
6. A workplace of choice is somewhere people want to work. You need to let potential employees know what your organisation can offer them and their community so you can attract the best workers. You must establish an environment that makes them want to work for you.

Learning checkpoint 3

Implement initiatives to support workforce planning objectives

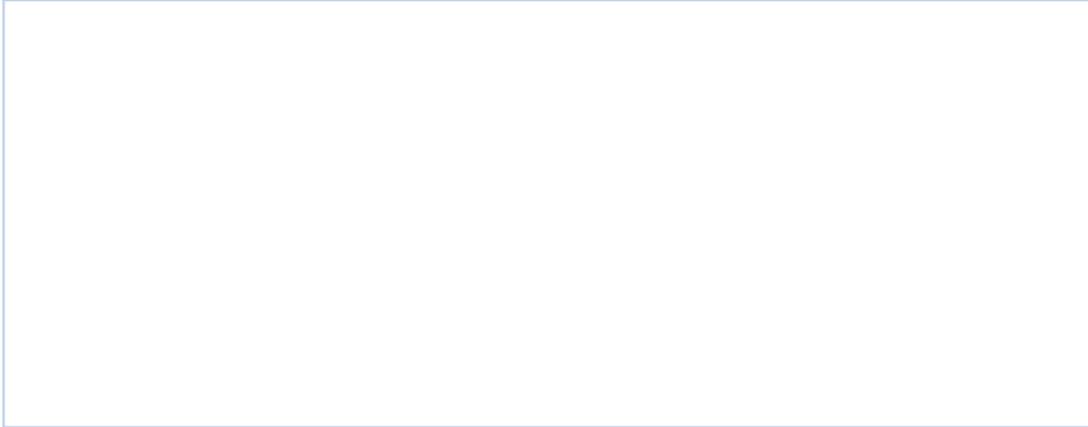
This learning checkpoint allows you to review your skills and knowledge in implementing initiatives to support workforce planning objectives.

Part A

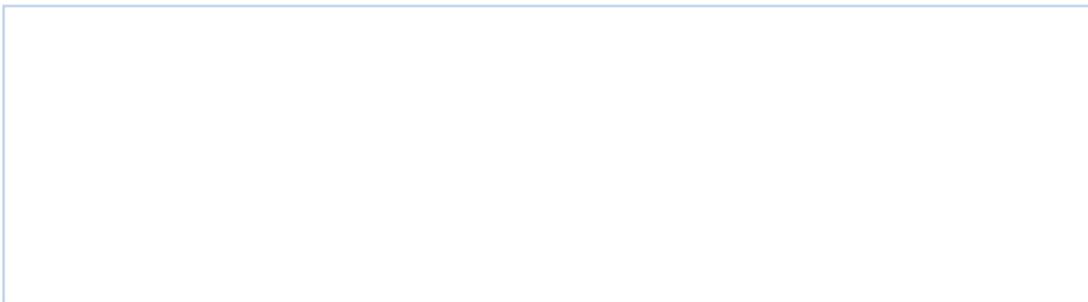
1. What are the three main areas you need to examine when implementing changes to a workforce?

2. What are some of the factors to consider in a redundancy policy?

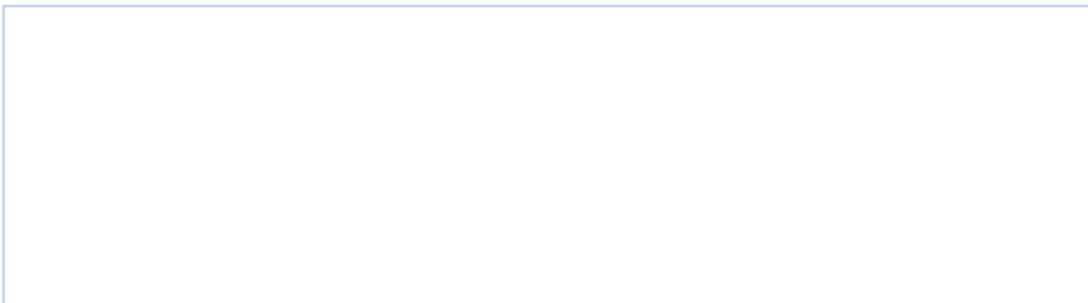
3. How could you ensure that the transition for employees is minimally disruptive?



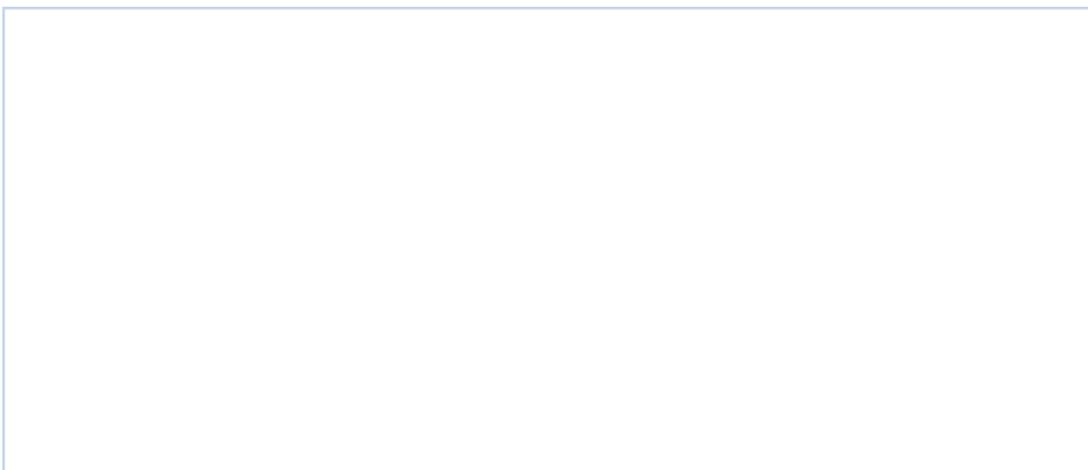
4. What benefits are there to being developmentally focused in succession planning?



5. What initiatives could you put in place to utilise existing staff in other areas as part of a succession planning system?



6. What types of programs could you implement to ensure an organisation is an employer of choice?



7. Describe at least three examples of strategies a workplace can use to ensure it has a diverse workforce and manages cross-cultural issues well.

Part B

Read the case study, then complete the tasks that follow.

Case study

An organisation has become aware that they do not have a succession plan in place to meet with future business objectives for the next five years. A succession management program is developed for the top three leadership tiers within the organisation. A draft list of capabilities is devised using empirical and secondary data gathered with reference to previously validated leadership capabilities. This list is circulated for feedback and capability ranking. Capability profiles are then written to ensure they are clear, organisationally relevant and integrated into existing competency frameworks. The profiles are created for use in future recruitment and selection, and in the second stage of internal participant assessment.

Candidates with leadership potential are identified by conducting assessments using the capability profiles, performance ratings and observed skills and experience. During this stage of the process, three groups are assessed:

- Visionary/strategic managers
- Strategic/operational managers
- Operational/tactical managers

All candidates are provided with detailed feedback. All high potential candidates are provided with development plans and appropriate training programs. Each candidate's performance and development needs are then tracked.

1. The succession plan is part of the organisation's strategy to meet its objectives in the future. Explain how future managers identified in the succession plan can be developed to meet the changing needs of the company.

2. Retention is identified as an issue for any organisation. What incentives could the organisation include in its succession plan to ensure the identified replacements stay with the company?

3. Discuss the importance of communication in the process.

Part C

Prepare a portfolio of evidence that demonstrates your ability to implement initiatives to support workforce planning objectives.

Include the following pieces of evidence, annotating each piece with a brief summary.

1. An analysis of the skills needed for a specific work team.

2. A skills audit conducted to identify current skill competencies of staff.

3. An advertisement to recruit a new staff member.

4. A description, with supporting evidence that includes a third-party report, of how you managed redeployment; managed redundancy; implemented succession planning and managed a workplace change.

5. Two strategies you developed and implemented to support workforce diversity goals.

6. Material you have developed for programs used to promote your organisation as an employer of choice.

Topic 4

Monitor and evaluate workforce trends

Monitoring and evaluating workforce trends helps managers stay abreast of change and develop a competitive advantage. Your organisation will be effective, productive and successful if you have the right people doing the right jobs in the right environment.

This process involves analysing projected demographics, the age of your experienced workforce, the skills needed for future projects and the current trends in education. An analysis of workforce trends also includes a study of the political landscape, sustainability practices and the global environmental climate.

In this topic you will learn how to:

- 4A Review the workforce plan against patterns in existing employee and workforce changes
- 4B Monitor labour supply trends
- 4C Monitor the effects of labour trends on labour demand
- 4D Survey the organisational climate to gauge worker satisfaction
- 4E Refine objectives and strategies and make recommendations
- 4F Review government policy on labour demand and supply
- 4G Evaluate the effectiveness of change processes against agreed objectives

4A

Review the workforce plan against patterns in existing employee and workforce changes

There are a range of challenges that managers may face when implementing a workforce plan. In a business environment that continues to change due to economic, environmental and social factors, you need a workforce that can remain productive while adapting to these changes. It is crucial that you regularly review your workforce plan to ensure your organisation's employees are correctly skilled for the tasks demanded of them, to identify whether you have the right balance of skills, to plan for additional training and to address the need to downsize or increase staffing. You may need to modify your plans to meet external contingencies and internal circumstances.

Factors that affect the workforce

- Government regulation and deregulation
- Changing technologies
- Staff movements
- Changing expectations of the workforce
- Economic influences
- Demographics and diversity
- Workforce availability
- Organisational change and restructure

Government regulation and deregulation

Federal regulation has become even more evident in recent times as a result of issues such as environmental protection; for example, an emissions trading scheme or taxes may mean a workforce restructure due to the increased expense of doing business. State and local government actions can similarly affect businesses with restrictions, licensing and regulation.

Deregulation can also have a negative effect. In a protected sector, deregulation generally leads to workforce reductions when competition is introduced.



Changing technologies

When new technologies are introduced, they are likely to have affect the way organisations operate and, consequently, the skills needed and the type of positions available. You need to manage the way these new technologies interact with your workforce; for example, downsizing staff to take advantage of new technologies such as automation of production lines, recruiting those with information technology expertise, implementing a help desk or identifying a preferred supplier of technology assistance.

Staff movements

Make sure you regularly track current and likely staff movements and their causes so you have an idea of your workforce make-up and how it may change. For existing staff, look at likely retirements, staff who are eligible for long service leave, inappropriate appointments and dissatisfied staff.

Changing expectations of the workforce

With the increasing emphasis on creating a work-life balance for employees, organisations may need to restructure staffing to accommodate requests for flexible work hours, parental leave, study leave or an inability to do overtime. Some organisations facilitate arrangements for staff to work at home. The challenge for managers is to provide flexible arrangements while maintaining productivity and high staff morale.



Economic influences

Economic changes, both locally and globally, can affect workforce patterns; for example, for the past 30 years there has been a major shift from agricultural and production employment to information technology, mining and service/hospitality industries. Production is increasingly going offshore. These changes affect the dynamic of your workforce and may affect the availability of skilled workers. Organisations not only need to adapt to reflect such changes, but also need to forecast changes in order to diversify and predict the type of staff they will need in the future.

Demographics and diversity

The demographics and the cultural diversity of the Australian workforce have changed dramatically over the past few decades. These changes present new challenges for managers as there is a need for training related to issues such as cultural sensitivity, language, equity and discrimination.

In addition, younger people are more likely to move between employers and industries. You need to be able to adapt to a more varied demographic and have effective training and career structure strategies that negate the loss of knowledge through retirements and resignations.

Workforce availability

In recent times there has been a pronounced shortage of skilled workers, particularly in the manual trades; many industries have reported very tight labour markets. There is a growing trend in the workforce for employees to require a higher level of education in order to be able to successfully perform duties. HR managers need to look at the required skills to deliver their organisation's objectives and develop a training culture, succession program and career planning as part of their workforce strategy.

Organisational change and restructure

In recent times, the economic environment has forced many organisations to restructure in order to survive; events have created a climate that is ripe for acquisitions and mergers as organisations attempt to remain competitive in the global market.

HR managers are key stakeholders in restructuring programs that may involve removing overlapping managers and workers in an attempt to streamline and deliver more cost-effective production or services.

Example: dealing with redundancy

In 2015, a major retailer announced that over 260 staff, or nearly 20 per cent of their head office employees, would be made redundant. This was in response to declining sales and reduced profitability over the previous two years. At the same time, the number of staff at the head office had increased by 30 per cent.

Cuts were made in support areas such as HR, IT, marketing and support services. The company anticipated that the reduced headcount costs and other strategies to reduce excess inventory would restore them to profitability.



Practice task 17

Write a dot-point list of the workforce challenges you think a major retailer would face.

4B

Monitor labour supply trends

Effectively monitoring labour supply trends gives you the ability to anticipate change and develop efficient long-range organisational planning. Labour supply trends can change in a very short amount of time, brought about by a wide range of external factors. This was made evident in the economic crisis that began in the United States in 2008 and quickly spread worldwide; the labour market went very quickly from a market with a very high level of workforce participation buoyed by factors such as the expansive resources boom and a strong economy, to an international position of relatively high unemployment.

Labour supply information

You can monitor labour supply trends by analysing data from a range of sources. In Australia, the Australian Bureau of Statistics (ABS) is the principal fact-finding agency for businesses. The ABS collates a wide range of statistics relating to labour, employment, social trends and population and presents statistical summaries that aid researchers and planners. State governments also add to labour market information via the release of reports and summaries.

Understand supply and demand

You need to understand how different factors contribute to the supply and demand for labour, all of which will affect your future workforce planning. Effectively assessing trend information allows you to assess and monitor whether there are supply issues that you may have to factor into your strategic plan and the resources you will need.

Assess trends

Assessing trends, such as those outlined below, assists you with planning around supply and demand.

Trends affecting labour supply and demand

1

Demographics

Demography is the study of the size, growth, age, sex and employment patterns of the labour market that affects your organisation and workforce planning. The study of the demography of your market gives you an overarching view of your potential candidates and allows you to refine and develop a target demographic.

2

Employment and unemployment

Employment and workforce participation rates give you an outline of how many candidates may be in the marketplace and actively looking for employment at any given time.

3**Job vacancies**

Statistics on job vacancies show the amount of competition your organisation has when attempting to recruit staff. In a tight labour market, you may have to offer more in remuneration or benefits in order to attract the right workers.

4**Skilled employment**

Skilled employment statistics allow you to see the number of skilled workers who are currently available in the labour market. You can access this information from the Australian Bureau of Statistics website at: www.abs.gov.au.

5**Occupational wastage**

A study of occupational wastage tells you how many skilled workers are still working in their area of expertise and how many are currently employed elsewhere. There are many reasons why people leave their primary occupation:

- Financial reasons, such as finding a better paying job outside the trade
- Family reasons, such as a marriage breakdown
- Location, such as needing to work close to home

6**Wages**

You need to consider parity of wages with people in the broader community. If workers at other organisations are paid 25 per cent more than your employees, you will not retain skilled staff for long.

7**Age of the workforce**

The age of the workforce will have affect your organisation's staffing rates. The proportion of people aged 65 and over in Australia is forecast to reach 23 to 25 per cent by 2056. This will present managers with significant challenges relating to retirement, restaffing and training, as working knowledge may be lost when people retire.

8**Overseas migration**

The number of migrants entering the workforce has created diversity in the labour market. Although the majority of these migrants are skilled workers, they may sometimes present challenges to a manager in terms of language or cultural issues and integration into the workplace culture. Other issues may include workers having qualifications and training standards from overseas.

9

Labour morbidity and workforce turnover

Labour morbidity, or the loss of staff through wastage or attrition, is an ongoing concern, particularly for large organisations. Workers leave employment for a number of reasons beyond the control of the employer, but it is prudent for any employer wishing to retain skilled staff to address those factors they can control.

Example: Australian employment trends

The website www.myfuture.edu.au provides information for job seekers. There are a range of tabs (change direction, explore careers, tools and resources) that provide information about labour market trends and links to several useful websites.

You can also access the Australian Jobs publication: employment.gov.au/australian-jobs-publication. This includes information about the labour market for industries, occupations, and states and territories. It also provides forward-looking occupational and industry information.

Practice task 18

Complete one of the following tasks.

1. Visit the Labour Market Information Portal, at: www.lmip.gov.au. List the skill shortages and oversupply you are able to identify using the data provided.

2. Use information on the Australian Bureau of Statistics's website at: www.abs.gov.au to research labour force trends that will affect your organisation.

4C

Monitor the effects of labour trends on labour demand

You can monitor the effects of labour trends on the demand for labour by using forecasting to outline your organisation's future demands. Forecasting of labour supply trends is carried out both internally and externally. The type of method used will depend on your organisation, the time frame and the accuracy of the information you have at hand.

These systems of forecasting allow you to gain a greater understanding of your needs in relation to your strategic human resource planning. They will allow you to take action to secure the workforce that has been outlined in your analysis. Two main types of methods are commonly used: judgment methods and mathematical methods.

Judgment methods

Judgment methods estimate the required staff in an identified period and can work from the top down or from the bottom up. You need to simply ask the appropriate people, 'How many new staff members do you need?' There are several variations of the judgment method, for example, the Delphi Method and the Nominal Group Process, which rely on set staffing guidelines. These two judgement methods are explained in the following information.

The Delphi Method/Technique

The Delphi Method uses a group of carefully selected experts who are given a questionnaire to identify what they believe the requirements will be for the set period. Participants do not meet and may not know who else is involved. Their opinions are consolidated by a facilitator. This method gives a mean or average of all the experts' opinions.

Nominal Group Process

The Nominal Group Process involves a group of experts who meet face-to-face to discuss their ideas and then produce a group report. A moderator facilitates the group process to ensure a consensus decision is made.

Mathematical methods

There are a number of mathematical methods that may be used to forecast labour supply trends, as shown in the following information.

Statistical or simple regression analysis

Makes a statistical comparison of a range of factors from the past; for example, you may draw a comparison between the gross sales of an organisation and the number of staff that were required to make those sales. You could then work out an equation that would forecast the number of staff that would be required to make a 20 per cent increase in sales.

Multiple linear regression analysis

This is a variation of the simple or statistical linear regression model. This model allows for several variables to be considered in the one equation; for example, in addition to sales figures, productivity data and turnover data can be factored into the equation. You are then able to gain a more accurate indication of what is required.

Productivity ratios

Can be used to calculate the average number of items produced by a single worker. These averages can then be applied to your projected sale forecasts to determine the number of staff needed.

Staffing ratios

Can be used to give an idea of the required staffing levels by estimating indirect labour; for example, if a company uses one clerical worker for every 100 production employees, you can use that ratio to determine the required number of clerical staff.

Example: forecasting labour needs

The HR management team at a national hardware chain have been forecasting the HR needs of the business for the next 12 months. The business uses the staffing ratio model of forecasting.

One regional store employs one team leader per five staff members. The store has 100 staff. Therefore, the HR team can say that they require 20 team leaders to manage the staff effectively.

Practice task 19

Describe the steps or methods you would use when forecasting the labour supply trends of your organisation. Include appropriate models or methods of forecasting and monitoring.

4D

Survey the organisational climate to gauge worker satisfaction

Gauging the satisfaction of your workers is an important part of any human resources plan. Job satisfaction can be quantified as a positive emotional state that results when a person is successfully doing a job they enjoy. It also implies that the person is receiving a suitable and appropriate amount of compensation. The happier people are with their jobs, the more likely they are to say they are satisfied with their job, resulting in efficiency, productivity and high quality goods and services. Job satisfaction is reflected by how the person feels about their job, what they believe about their job (boring, demanding or interesting) and how they act in their job. Dissatisfaction occurs when a person's expectations of their work are not achieved.

Reasons for job dissatisfaction
The employee's work ethics and practices do not align with organisational culture.
The employee is not being paid adequately for their work.
The work is repetitive and provides little challenge.
The worksite environment is poorly maintained and unsafe to work in.
The organisation is poorly managed with little communication, positive feedback or recognition.

Dissatisfied workers

The dissatisfaction of workers will soon become evident in your organisation. Knowing the signs of dissatisfaction will assist you to address them before they affect your organisation.

Signs of dissatisfaction
<ul style="list-style-type: none"> • A reduction of efficiency and productivity • Increased absenteeism • An increased number of complaints and grievances • Higher levels of staff turnover and termination • A reduction of workplace morale

Motivate workers

Maintaining a high level of job satisfaction means workers are more motivated and tend to achieve a greater level of productivity. Psychologist Frederick Herzberg (1923–2000) researched job satisfaction and found that there is a direct correlation between worker satisfaction and increased productivity. Satisfied workers tend to contribute more. In general, they are more loyal to their organisation.

You need to be able to analyse the organisational environment to identify the factors that contribute to staff satisfaction or dissatisfaction. You can use professionally developed surveys or write your own. Common questions ask staff to agree or disagree with statements or indicate their level of satisfaction from 'very satisfied' to 'strongly dissatisfied'. Topics include rate of pay, work responsibilities, job security, opportunities for advancement, the work environment, work conditions and workplace culture.

An organisation that values diversity encourages innovation, provides a safe workplace and supports its workforce is likely to generate job satisfaction and retain workers.

Measure job satisfaction

There are several methods of measuring job satisfaction, including employee opinion and satisfaction surveys. Some organisations develop specific systems for regularly checking how staff members perceive the organisation and the way it functions. A commonly used method is a feedback management system, which might focus on a single rating of the employee's response to one global question or a more in-depth response to several questions.

Some methods of measuring job satisfaction are outlined here.

Job Descriptive Index (JDI)

Originally created by Smith, Kendall and Hulin in 1969, the JDI is still widely used. It is a specific questionnaire that outlines key areas of a job and asks the worker questions relating to their satisfaction. The system measures job satisfaction in the following five areas, with many sub-categories:

- Pay
- Promotions and promotional opportunities
- Co-workers
- Supervision
- The work itself

Job in General Index (or Scale) (JIG)

The Job in General Index is a modification of the JDI and is an overall measurement of job satisfaction. The JIG is seen as a preferred alternative to the JDI as it is broader in its scope and looks at the satisfaction of the job in general.

For more information access: 4hrm.info/job-in-general-scale-jig.

Other questionnaires

Examples include:

- The Minnesota Satisfaction Questionnaire uses up to 100 questions to determine the satisfaction of workers.
- The Job Satisfaction survey is a 36-item questionnaire that measures nine facets to give an overall score of job satisfaction.

Staff perception of the organisation

How staff perceive the organisation affects their job satisfaction. If an employee feels that the values of the organisation are similar to their personal values, this is likely to increase their job satisfaction. Similarly, if they feel that the function of the organisation or the services they provide are worthwhile, this improves morale. For example, people may be drawn to an organisation that follows environmental guidelines, supports disadvantaged people, has an important image in the community and is seen as an influential industry leader. You can ask employees how they perceive the organisation as part of an employee satisfaction survey, during exit interviews or at employee information sessions.



Example: understanding staff perceptions

John is a production coordinator for a major dance competitions company. He enjoys his job responsibilities, likes his co-workers and feels that his salary is fair. He likes the competitions and being on stage. As production coordinator, it is his job to be on stage to present during the awards ceremonies. John has been recognised each year by his manager for his excellent work on and off the stage.

Since the competitions are all over the country, John commits to giving up three weekends per month to travel to different locations and produce the shows. John has been fine with working this schedule because he enjoys what he does.

John's sister recently got engaged. The wedding is during one of the busiest months for competitions. He asks his manager for a couple of days off but his manager refuses. John becomes frustrated at not having the time off and then starts to think about a number of other things that frustrate him with his job. He thinks about how the supervisor micro-manages him and doesn't involve him in planning. He dislikes how things take so long to be approved, holding up deadlines, which reflects poorly on him. John's frustration at being refused time off has resulted in him becoming negatively focused, resulting in low motivation. John starts to look for another job.



Practice task 20

Read the case study, then complete the tasks that follow.

Case study

A jeans production company redesigned the assembly line at its plant in an effort to cut costs associated with repetitive stress injuries. It hoped to improve efficiency to avoid moving most of its production overseas.

continued ...

... continued

The company revised its production methods, moving away from a piecework system, where a worker performed a simple single task (like sewing zippers or seams) and was paid according to the work done, to a team system, where groups of 10–35 workers would produce complete sets of pants and would be paid for the work that the whole team had completed. Workers could rotate through different jobs in the same group to relieve monotony and reduce repetitive stress.

However, the system did not work and it did not increase production. It had the opposite effect – resulting in reduced morale, increased arguments and stress, and an overall drop in production. This led to a fall in pay rates. There was a climate of ‘we are being paid less, so why give our best?’

The introduction of this new production system created an environment of low job satisfaction resulting in a reduction in production. The company laid off over 6,000 employees as a result. In a job satisfaction survey, one long-term worker stated that he hated teams and that the company was not the place it used to be.

1. What would you have done to amend the system?

2. Use the internet to research samples of job satisfaction questionnaires. What topic areas might you use when developing a survey for staff in your organisation?

4E

Refine objectives and strategies and make recommendations

Monitoring internal and external changes in workforce trends allows you to make value judgments regarding your future HR needs, your organisation's objectives and the strategies you will employ to meet these objectives.

In response to global events, cyclic fluctuations of the labour market and workforce trends, your organisation must have a defined plan that provides stability and continuity, increases productivity, improves morale and maintains market share. However, your plan should also be flexible enough to allow for modifications or amendments in response to unforeseen internal factors or global events.

The business objectives should outline what you need to achieve as an organisation. Ask yourself the following questions:

- Why does the organisation exist?
- What is unique about the organisation?
- What are the collective values and underlying motives of owners, shareholders and key managers?



Refine objectives and strategies

Using strategic planning processes and forecasting techniques allows you to refine your workforce plan, set relevant objectives and develop strategies that are up to date with current trends in the labour market. Effectively using planning and forecasting methods allows you to see trends and changes in the labour market from a local and global perspective.

Refining your objectives and strategies simply means responding to events that unfold. In many cases, you may just need to review your objectives and strategies to ensure your implementation is on track. At other times, when major catastrophes such as financial, human, biological or environmental disasters overtake your workforce plan, you may need to undertake a total review and rewrite.

The following outlines three simple steps to follow when refining objectives and strategies.

Refining your objectives and strategies

Prevent anything that may negatively affect your workforce.

Adjust the dynamic of your internal workforce. These adjustments are usually of a hierarchical nature and involve restructuring your workforce.

Restructure the process of recruitment and redefine your organisational objectives.

Make recommendations

Make recommendations based on your refinement to the workforce planning objectives and strategies. This may include such things as changing target training requirements; reducing or increasing target recruitment numbers; accelerating implementation; or cancelling or postponing implementation.

As a manager, you are in a position to recommend a course of action regarding the workforce plan to senior management. Before making workplace changes, check you cover all aspects.

Awards/contracts/industrial agreements

Ensure you have up-to-date information on awards, agreements and workplace contracts for specific training requirements, work conditions or entitlements the organisation must meet.

Consultation and negotiation

Any changes to conditions should be negotiated with employees and unions.

Impact on the workforce

Consider outsourcing options. In some circumstances, organisations that have not outsourced have had to downsize several times to try to remain competitive.

Technology

A highly educated workforce has meant the technology centres in developing economies (outsourcing countries) can sometimes provide the same services at a fraction of the cost.

Impact on employees

Ensure that actions, where possible, do not negatively impact employees.

Evidence based recommendations

Include a summary of the event affecting the plan and your recommended solution.

Other options

Include alternative courses of action.

Example: responding to changes

A communications company outsources all of their technology needs for their mobile phone service. Service inquiries are outsourced to a call centre in India. Partnering with these companies works well at first and the communications company shareholders are very happy with return on investment. This is short-lived, however, as customer complaints start to mount. In 12 months, the complaints rise by over 350 per cent.

The complaints are initially ignored, but as more and more customers take their business elsewhere, the communications company hires a consultant to evaluate the complaints. Many of the complaints are about poor service and the language barrier.

The communications company reassesses their outsourcing practices and decides to set up a local call/technology centre as a second line of defence. If the outsourced call centre staff are unable to communicate with customers, they can now refer them to the Australian centre. This reduces the complaints. The communications company now monitors the situation three times per year.



Practice task 21

Imagine your organisation is going through a period of growth and is in the middle of implementing a 12-month workforce plan to expand by 20 per cent to meet consumer demands. What recommendations would you make regarding the plan's objectives if another global financial crisis occurred?

4F

Review government policy on labour demand and supply

Government policy is one of the major factors that affect labour supply. It is crucial that you keep up to date with the rules, guidelines, regulations and policies that address workforce issues.

You can read more about labour demand and supply at the following websites:

- www.abs.gov.au
- www.employment.gov.au/news/australian-jobs-2015-handly-guide-labour-market



Review government policy

Government policy has a direct effect on the labour market and workforce trends, as outlined in the following information.

Training

Training policies affect the future of the labour market. Government makes policy relating to training to fill future or existing shortfalls in the labour market. For example, the government may provide funding for apprenticeships, subsidise organisations to offer employment opportunities or pay to up-skill current staff to meet the shortfall in a specific industry.

Immigration

Policy on immigration affects the labour market by increasing the number of candidates in the market and the diversity of skills available.

Retirement age

The policy that dictates the age at which people can retire from the workforce has recently been through a series of political debates: the Federal Government proposed to increase the age of retirement. This could affect labour trends by keeping the thousands of people who were due to retire in the workforce for a few more years.

Pay and conditions

The level at which the government sets the minimum wage, conditions and employer superannuation contribution affects labour trends financially; for example, an increase in the minimum wage may affect your organisation's ability to afford an increase in staff.

Government expenditure

The amount that the government can afford to spend on employment initiatives and wage subsidies will affect the labour force trends. The more that the government supports different labour groups with subsidies and funding, the more attractive recruitment from that group becomes.

Climate change policy

Policies that relate to climate change affect the labour market. There is already a trend towards moving production to countries that have green infrastructure already in place, in an attempt to circumvent the costs associated with a global emissions trading system.

Example: the impact of government policy on labour demand and supply

The Australian Government, through the Department of Infrastructure and Regional Development, has injected funding of \$91 million into an initiative to boost Tasmania's growth and employment. The initiative is funded from 2013/14 to 2016/17 and will provide for over 30 projects. The projects will deliver more secure jobs, increased investment in industry to boost productivity, and expanded infrastructure to support increased production capacity.

Practice task 22

Read the case study, then complete the tasks that follow.

Case study

The South Australian Government announced an initiative in the form of an Affordable Housing Stimulus Program in June 2013.

Over the following 18 months, construction was expected to start on more than 930 homes, making a total investment in affordable housing of \$220 million and employment for over two thousand people in the construction and complementary industries.

Source: Press release from Premier and Treasurer Jay Weatherill, 1 June 2013.

1. Consider the initiative described in the case study. What do you think this means for businesses?

2. Research and list relevant federal and state or territory government policies that affect your organisation (or an organisation you are familiar with). Describe why you need to keep abreast of any changes to government policy.

4G

Evaluate the effectiveness of change processes against agreed objectives

An essential component of managing change processes is to monitor the quality and effectiveness of the changes that have been made to see whether the organisation's objectives are being achieved; for example, changes may have been introduced to increase productivity, improve staff morale, decrease the number of staff, increase workforce diversity, provide a staff incentive scheme or offer redundancies.

Corresponding changes may have involved a restructure or introducing a reward system, a redundancy program, a redeployment scheme or a training and development program. To review the effectiveness of these changes, you need to systematically collect and analyse a range of data in areas such as:

- employee skills development
- employee performance
- staff satisfaction
- productivity and sales
- organisational finances.



Systematic evaluation

A written plan for program evaluation and improvement helps ensure a systematic evaluation takes place annually. The results are used to identify what is working well and what needs to be improved. Any required improvements can then be implemented. Regular evaluation can identify any dissatisfaction with change processes and trigger the need to make improvements.

Some examples of evaluation strategies are outlined below.

Increase productivity

Change process

Restructure the organisation.

Evaluation

Review of company performance and staff morale, for example;

- staff satisfaction questionnaire
- review of organisational performance after change.

Improve staff morale

Change process

Offer flexible work hours.

Evaluation

Distribute employee satisfaction questionnaire.

Decrease staff numbers

Change process

Offer voluntary redundancies.

Evaluation

- Review staff morale and feelings towards the company after the redundancy process.
- Distribute employee satisfaction questionnaire.

Increase diversity

Change process

Ensure recruitment advertising emphasises the organisation as an employer of a diverse workforce.

Evaluation

Distribute:

- workplace diversity questionnaire
- satisfaction survey.

Provide incentives

Change process

Implement a reward and recognition program.

Evaluation

Distribute a staff satisfaction survey, asking:

- Are staff happier?
- Does the scheme increase their job satisfaction?

Specialised areas

Change process

Increase staff in speciality areas, including technology and marketing.

Evaluation

Targeted evaluation of IT and marketing departments' performance, asking:

- Has productivity increased?
- Are there sufficient staff?

Employer of choice

Change process

Introduce a work-life balance policy.

Evaluation

Survey current staff, potential employees and general public about their perception of the organisation.

Review staff performance

Reviewing staff appraisal data is one of the tools to support management in evaluating the effectiveness of change against agreed objectives. Performance evaluations/appraisals are also developed to ensure staff are working towards the organisation's goals. It is important to look at best practice principles when supporting staff through the appraisal.

You can read more about performance appraisals at the following website:
www.businessballs.com/performanceappraisals.htm

Here is an outline of how staff can be supported through the appraisal process.

Supporting staff through the appraisal process

- Take a partnership approach – work together through the appraisal.
- Consider past performance appraisals, professional development training undertaken since last appraisal, attendance record and feedback from peers.
- Provide constructive feedback.
- Ensure there is a balanced approach – don't focus on negatives.
- Enable the employee to do most of the talking.
- Follow up with regular feedback and support.

Establish benchmarking and tools

As the evaluation system becomes more widely used, it may be possible to establish internal standards for competency-based outcomes. Such standards could then be used to evaluate the performance of workforce programs and set benchmarks for future performance.

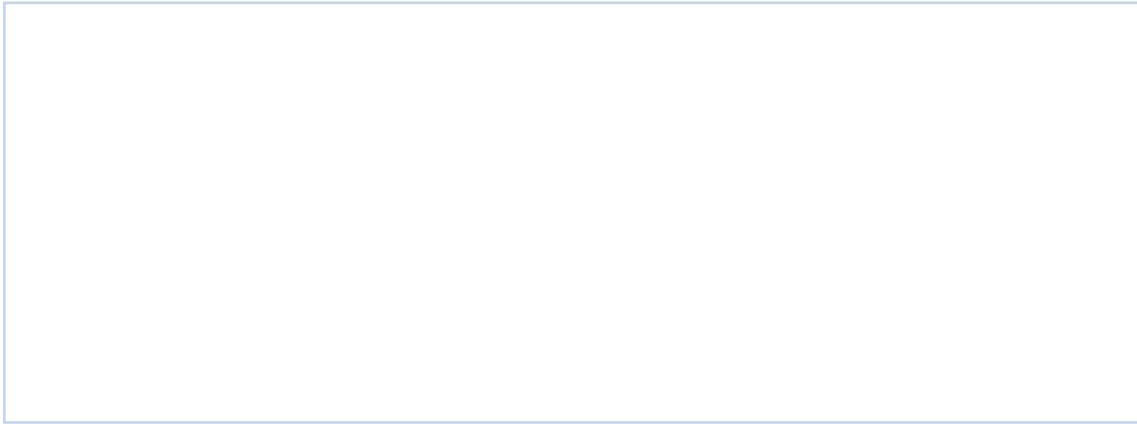
The program must use the results of staff appraisals and other evaluations to improve the program. If deficiencies are found, prepare a written plan of action to document performance improvement initiatives in the areas listed. The action plan should be reviewed and approved by the relevant departments and any changes should be trialled, documented and reassessed at a later date.

Example: template used to evaluate staff performance

Employee performance appraisal		
Employee: Tom Higgins		Date hired: 03/04/2015
Job title: Technology support worker		Date of review: 05/04/2016
Manager: Fred Diallo, IT Unit		
Evaluation of performance	Rating (1-10)	Comments
Team player	8	Always willing to help out.
Meets deadlines	7	OK. Sometimes late when not sure of new procedures.
Organisation skills	7	Prepares notes and plans to accommodate work duties, especially in changed conditions.
Communication	6	Needs to develop better written communication skills.
Leadership	6	
Attendance	10	
Quality of work	7	Still learning.
Adaptability to change/innovation	8	Keen to introduce new ideas. Always willing to change to meet organisational requirements.
Comments		
Tom is working well, especially as there have been many changes to the IT unit, including a major restructure. He has adapted well and is always keen to contribute.		
Goals		
To attend a change management workshop with colleagues, in July.		
Signed:		Date:

Practice task 23

Employee performance evaluations or appraisals are an effective tool for informing employees about the quality of their work and for identifying areas for further skills or knowledge development. Use the internet to research best practice strategies to use when supporting staff through their appraisal. List the main points you need to consider.



Summary

1. Many internal and external factors influence your workforce, from government policy to staff movements. By regularly reviewing your workforce plan, you can identify whether it is still relevant and able to meet the organisation's needs.
2. Over or undersupply of labour in different occupations occurs from time to time. By understanding what causes these fluctuations, you can plan effectively (or contingently) to ensure your organisation is sufficiently isolated from the effect.
3. Monitor the effects of labour trends, both internally and externally, on demand for labour through the use of forecasting. There are two main types of method that are commonly used: judgment methods and mathematical methods.
4. Conduct employee satisfaction surveys to gauge the effectiveness of change processes.
5. Internal and external factors can affect the implementation and progress of your plan. Monitor these environments so you can adequately react and make recommendations to senior management.
6. Governments change. Keep abreast of developments in the political arena regarding labour forces, looking out for incentives and training opportunities.
7. As with any process, you must monitor its outcomes for effectiveness against your initial agreed objectives, generally through observation and surveys.

Learning checkpoint 4 Monitor and evaluate workforce trends

This learning checkpoint allows you to review your skills and knowledge in monitoring and evaluating workforce trends.

Part A

1. How can you review patterns in workforce changes?

2. Why is it important to monitor labour supply trends?

3. How might you monitor the effects of labour trends on labour demand?

4. Provide an example of a questionnaire you would use to evaluate worker satisfaction. Describe how you would analyse and use the information such a questionnaire provides.

5. How would you fine-tune your aims and policies in response to changes in the economic conditions?

6. Describe how you would evaluate the effectiveness of change processes.

Part B

Read the case study, then answer the questions that follow.

Case study

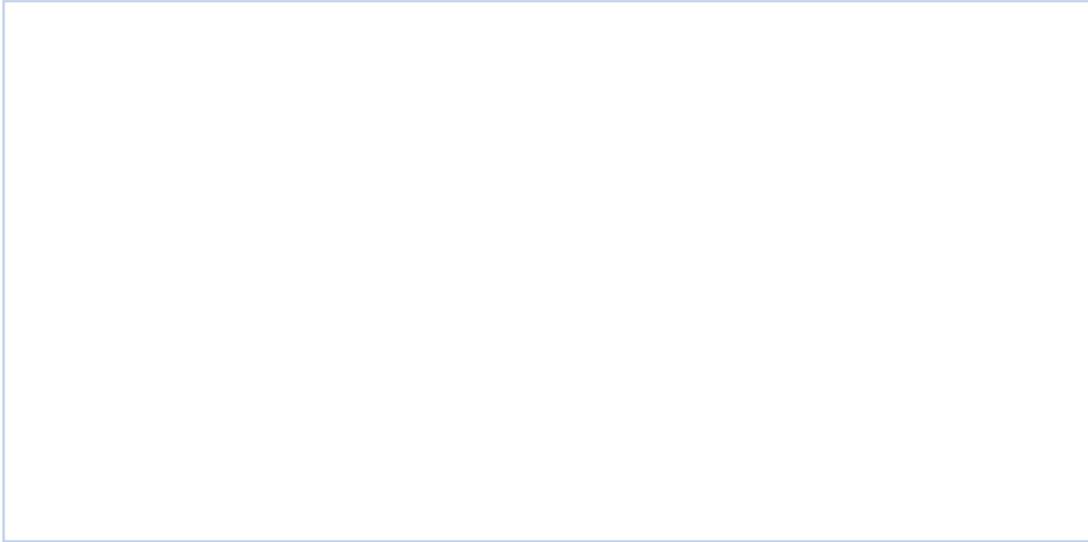
A recruitment agency provides full-time and part-time staff to meet the needs of its various industry clients. The agency's target market is supplying labour to the mining and shipping industries. The agency monitors national import and export data, trade agreement progress between Australia and its largest mining export customers, and the supply of skilled labour through vocational training providers. This information gives the organisation vital intelligence on recruitment plans, training and the value of various industry trades and professions.

1. How might the agency evaluate the success of its workforce management processes?

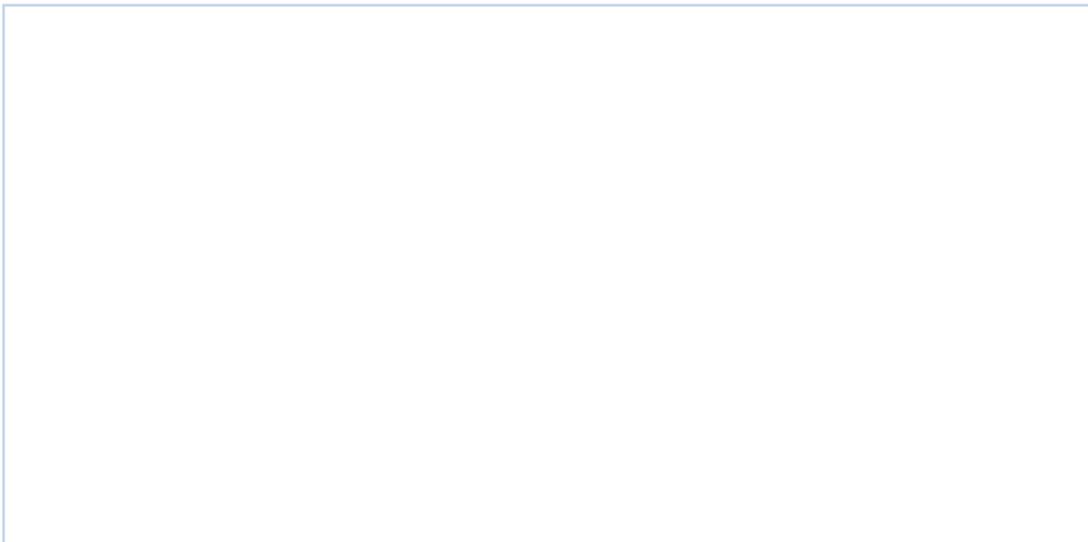
2. What conditions may affect its continued success in workforce management, and how may they handle changed conditions? Write your answers in the table.

Potential conditions	Strategies for managing conditions

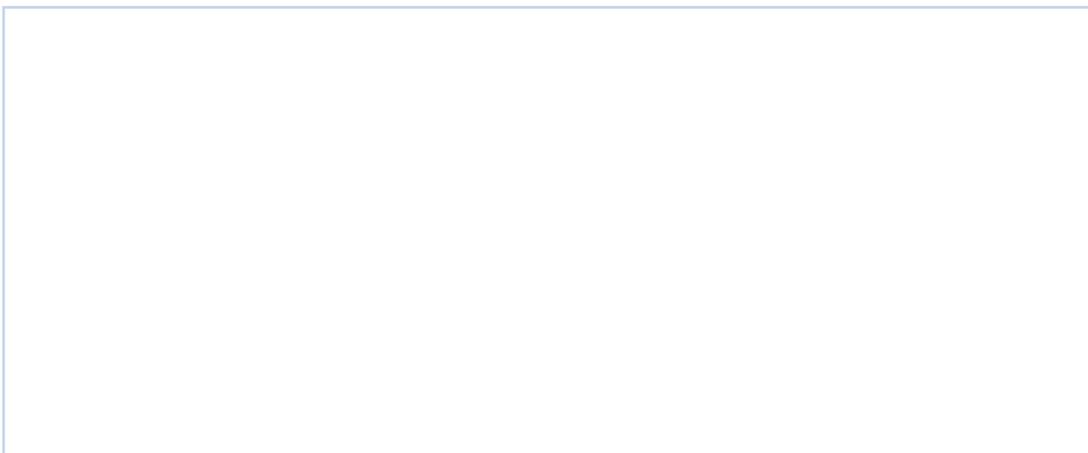
3. Understanding workforce trends and factors that may affect the supply of labour will assist you with your future workforce planning. What sources of data could assist you in workforce planning?



4. Explain how these sources may be monitored for effectiveness and relevance.



5. How may an upturn in the global economies affect workforce planning?



Part C

Prepare a portfolio of evidence that demonstrates your ability to monitor and evaluate workforce trends. Include the following pieces of evidence, annotating each with a brief summary.

1. Half-page discussion backed up with statistical/graphical evidence of current patterns in staff movement and workforce changes, and how they affect the current workforce plan.

2. Document listing current government policy that affects your organisation's ability to source labour.

3. Brief outline of current labour supply trends in your industry and how this may affect your organisation; include documentation/graphs of specific methods used to identify trends.

4. Survey you developed and used to gauge worker satisfaction, and an analysis of at least 10 completed surveys.

5. List of recommendations you made to management for changes to the workforce plan based on your research.

6. Evaluation of changes that were implemented to maintain an effective workforce.

