

Qualification: CIPD Diploma in Applied Human Resources

Module Name: 5KRTP

Understanding Resourcing and Talent Planning

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1.1 Describe key contemporary labour market trends.

A fundamental objective of the HR function is to ensure the mobility of the workforce to ensure that organisations can function effectively. The CIPD define workforce planning as the process whereby labour supply (skills) are reviewed against the demand (number of staff required). To conduct effective workforce planning an organisation will need to undertake an analysis of the current workforce, establish future needs and identify gaps and solutions to ensure that the labour supply is sufficient to meet the organisations long term objectives (CIPD, 2021).

The basis for resource planning is understanding labour market trends. The ONS labour market review for the UK estimates that employment rates have risen by 0.4% between July to September 2021 to 75.4% of the population classified as employed, with an annual growth in average pay at 5.8% and a reduction of unemployment of 0.5% with a total of 4.3% of the population unemployed. These figures were driven by an increase of unemployment to employment. Other trends highlight that job-to-job moves were also on the increase between the same period driven by resignations rather than dismissals (Office for National Statistics, 2021).

There have been several recent catalysts for the change in employment figures. The Covid-19 pandemic has had a substantial effect on resource and talent planning activities, and a subsequent knock-on effect to the labour market. Research figures suggest that 52% of organisations have frozen their recruitment activities (McCartney, 2020). The lockdown and subsequent impact of Covid means many businesses have been forced to shut or to downsize. Ordinarily, this would result in a loose labour market with demand for jobs outstripping supply, however the added consequences of Brexit and increased availability of open vacancies has resulted in a tight labour market. Subsequently, the cost of recruitment has risen as demand is high in relation to supply, resulting in a more volatile and competitive labour market, with power in the favour of employees (CIPD, 2021).

In comparison, the United States are also feeling the impact of the Covid-19 pandemic, which has forced many changes in labour market trends. The cost of recruitment has also risen, with average hourly rates increasing by 17% in some industries. Jobs growth is on the increase, however high levels of unemployment are still a concern resulting in a loose labor market. Contributing factors to this have come as a result of the shift to remote working and the impact of 'globalisation' on the economy, with employers expanding their geographical talent pools as a result of the pandemic. Silicon Valley now advertise two thirds of their job adverts outside of the area which is 30% higher than pre-pandemic levels (Forbes, 2021).

1.2 Describe the principles of effective workforce planning and tools used to carry it out.

Once the type of labour market has been identified, workforce planning activities can be undertaken with consideration given to the type of skills that will be required in future years and the types of strategies that would support reaching these requirements. Workforce planning is closely linked to an organisations long term strategy and objectives. The ability to strategically plan human resources is important in the current climate.

There is no specific format for workforce planning, and some contain more components than others. In its simplest form, workforce planning can be described as the process of ensuring that "the right number of people with the right skills employed in the right place at the right time, for the right cost and on the right contract" (CIPD, 2021). In its more complex form, it can be described as the process of analysing the capabilities of the current workforce to establish future need, considering the supply and demand, demographics, future skills shortages or surplus, labour market and any workforce trends such as working from home (CIPD, 2021).

Some examples of common components of workforce planning include:

- Forecasting and assessment
- Succession planning
- Analysing current and future labour market trends
- Recruitment & retention
- Redeployment
- Job design
- Development of leaders within an organisation (Sullivan, 2002).

Sources of labour include jobseekers in local, national and international market – the latter being difficult to access as a result of Brexit. Graduates, school leavers and those that are economically inactive are also potential sources (Taylor & Woodhams, 2016).

There are a variety of techniques and workforce planning tools that can be used to develop a workforce plan, these include organisational strategy, the 9 box-grid, analytics and reporting, contingency planning and an analysis of compensation and benefits (AIHR, 2021).

Workforce planning techniques are used in conjunction with a workforce plan to establish supply and demand issues as well as skills gaps. The CIPD highlight the need for workforce planning as a result of the supply and demand issues faced by organisations as a result of Brexit (CIPD, 2018). The urgency for organisations to carry out workforce planning techniques is also conveyed by the CIPD as a result of the impact of Covid-19 on the labour market, automation and move towards remote working. Failure to effectively conduct workforce planning activities can result in skills shortages and a loss of revenue, as seen by the Ryanair case study (People Management, 2017).

1.3 Explain how to develop basic people plans and succession plans.

Taylor defines two different approaches to succession planning, there are more traditional approaches to succession planning, a traditional approach, and a more contemporary approach.

Traditional approaches are often more successful in a stable and predictable environment. They are often used in larger organisations with a top-down approach. Within a traditional approach, managers will identify emerging talents and nurture these individuals to try and promote successful development. An excellent example of this is provided by Admiral who place a large emphasis on career development opportunities through their 'Admiral Academy' (Admiral, 2021).

A contemporary approach often enlists the support of line managers, management development techniques and the utilization of sophisticated selection techniques such as psychometric testing and assessment methods (CIPD, 2021). A contemporary approach often thought to be a more transparent process.

Taylor and Woodhams suggest a four-stage process to develop a workforce plan (Taylor & Woodhams, 2016):

1. Forecast and demand

This stage is a combination of managerial judgement, a cost benefit analysis and the use of systematic techniques.

2. Forecasting supply

This stage will establish the skill set of the current workforce and a review of any potential flight risks.

3. Identifying gaps

A skills gap analysis could be conducted to assess the current workforce and establish skills gaps versus future needs.

4. Addressing the gaps

It is important to try and utilise existing resources such as internal talent. This can be enhanced through development plans and similar development activities. This is particularly important in a tight labour market. External sources should also be tapped in to.

2.1 Assess the strengths and weaknesses of different approaches to attracting talent to the organisation.

As expectations on employees increases, so do the expectations of employers to attract and retain the best talent. This is particularly evident within the current economic climate and the tight labour market, resulting from Brexit and the Covid-19 pandemic with increased job vacancies. A study has also highlighted that around 91% of 'millennials will swap jobs around 15-20 times over the course of a lifetime. This highlights the need for employers to enhance their recruitment and retention strategies to remain competitive and reduce associated costs (O'Callaghan, 2021). A recent study found that high performers are 400% more productive than average ones, highlighting the need for organisations to source the best talent (McKinsey, 2017).

There are several different approaches that can be used to attract and retain talent to organisations, these consist of an employer's 'positioning' and branding, recruitment and retention strategies and reward strategies.

The CIPD highlight the importance of an employer's brand in order to help them compete effectively within the labour market. The decision to build a brand can be costly and time consuming, however a recent survey highlighted that 19% of organisations that had taken steps to improve their retention figures had also worked to improve their employer brand (CIPD, 2021). An organisations branding should be able to effectively market the 'employee branding proposition' which will support the development of the 'psychological contract' between an employee and employer and vice versa. This is important as engaged employees often become advocates for their employer (CIPD, 2021). This can directly impact an organisations recruitment strategy with a recent survey highlighting the importance of friend referrals on application rate, and those referrals were highlighted as the leading source of quality candidates for 88% of employers (Forbes, 2017).

Recruitment and retention strategies can also be costly and time consuming, however friend referrals offer a cost-effective means of recruiting top talent. This method of recruitment highlights the importance of developing organisational brand in order to retain employees and utilise as a way to market and attract new talent. It may work against an organisation whereby employees are not satisfied, and therefore do not make referrals or encourage others to join. This highlights the importance of the reward aspect of retention within an organisation. A recent survey observed that employees were five times more likely to stay within an organisation when managers acknowledged them for good work (SageHR, 2019).

The ongoing Covid-19 pandemic has changed the mindset of employees towards employer reward as employees re-evaluated their attitudes towards work and began to appreciate a more flexible approach to work and greater work/home life balance. The pandemic has accelerated a much-needed shift towards flexibility, supporting more people to return to the workplace (Allen, 2021). It

is also important to recognise the importance of individual/flexible ways of working within an employee benefits system.

Lindor expresses the importance of organisational culture in retaining top talent and believes that this has greater leverage over any reward or recognition that can be provided by an organisation (Lindor, 2018).

2.2 Assess the strengths and weaknesses of different approaches to retaining talent.

Organisational strengths and financial restrictions often form the basis for decisions made on an approach to retaining talent.

There are several different approaches that can be used to encourage retention:

Training and development initiatives

Research within this area suggests that training and development initiatives support retention figures. According to Allen et al, retention can benefit an organisation through increasing sales growth and an improved sense of employee morale through a sense of increased organisational profitability and value (Allen, et al., 2017).

Training and development initiatives can be time consuming to develop and costly. They can also heavily rely on the support and buy-in of senior and line managers to implement the strategies. Line managers play a key role in organisational strategy; however, they are often the weakest link. Stress-related absences were cited as being the main cause of absence by 43% of respondents to a recent survey. This was beaten by workload, effectively as a result of bad management (Whitehouse, 2019).

Work-life balance

Organisations are increasingly recognising the importance of a healthy work/life balance and flexible working initiatives in order to access labour and reduce attrition rates. These initiatives also allow a greater variety of individuals to access employment that may otherwise have been unable to, increasing the talent pool and subsequently an organisations diversity. Daley explores the enhancement of 'employee buy-in' and enhancement to organisational culture as employees feel valued (Daley, 2012).

The Government plans to review legislation in relation to flexible working in 2022, with the potential to offer flexible working as a day one right, encouraging more than 2.2 million people to be able to access/return to the workplace under flexible working arrangements (Powell, 2021). This approach will support the labour market, but may pose increased risks to businesses, for example disjointed working practices that do not fall in line with business need, and the associated risks of declining a flexible working request, particularly where protected characteristics come in to play.

Become the 'employer of choice'

Today's competitive labour market has increased the requirement for organisations to recognise their competitors and become the 'employer of choice', to attract and retain top talent. This will positively impact on the recruitment process and widen the 'application funnel' as an organisation sets itself apart from other industry competitors. This should reduce recruitment and marketing costs.

The ability to recruit top talent will support overall productivity and the achievement of organisational goals and objectives as an organisation will be able to utilise the diverse skills and competencies of the workforce to develop a competitive advantage (Rees & Rumbles, 2013).

It is becoming increasingly difficult to become an employer of choice within today's labour market. The ability to achieve competitive advantage is becoming more difficult with the impact of globalisation and remote working increasing the talent pool and employer reach. This is having a direct impact on salary rates, often pushing salary thresholds higher to retain a competitive advantage.

3.1 Explain key aspects of good practice in relation to the development of job descriptions, person specifications and competency frameworks.

Ensuring a robust and accurate job description is a necessity in ensuring the correct candidate is found for a vacancy. The job description should provide in-depth information in to display how the purpose of the role is achieved.

Indeed explain the importance of ensuring that job descriptions are able to strike the balance between an in-depth description but concise in nature with a focus on tangible results. Indeed claim that "30% of job descriptions that strike the balance are delivered between 700-2000 characters" (Morgan McKinley, 2022).

Some other mandatory information that should be included within a job description includes job title, location of position and if it is full time or part time and the nature of the tenure, for example is it a contract role, fixed contract or permanent position (Morgan McKinley, 2022).

Person specifications focus on the desirable traits that employers would like to see in their candidates. These can include level of education and educational qualifications and any additional skills or traits required for the role.

Within a job spec it is best practice to include information on the following areas, soft skills, attainments, capabilities that are specific to the role, and personality traits. A job spec may also detail any specific core competencies required by an organisation. These are usually in keeping with an organisation's value and are the same throughout the Company, differing dependent on the level of the position within the organisational structure (Reed, 2022).

The CIPD define a competency framework as a structure that defines individual competencies which are required by individuals within an organisation (CIPD, 2021)

It is best practice to use only measurable components within a competency framework and to restrict the number of competencies, usually no more than 12. Frameworks should contain a definition or example of each competency at each 'level' of performance. There should also be 'contra indicators' for each competency, outlining examples of undesirable behaviour (CIPD, 2021).

3.2 Evaluate different methods of recruitment and selection.

There are a wide variety of different methods of recruitment and selection. These can range from direct advertising and shortlisting to agency workers, employee referrals, boomerang employees and internships or apprenticeships (James, 2018).

Direct advertising can be costly in comparison to recruiting internally with high fees for advertising, subscriptions to social media, attendance at recruitment shows and fees to marketing agencies to direct and source the constant flow of marketing to the external market. Another factor which should be considered is the 'time-to-hire' which would be considerably longer for an external candidate than for an internal candidate. The current labour market and impact of Brexit has

pushed Companies to evaluate their current workforce and gravitate towards a shift in mindset with a greater emphasis on internal training and development to aid succession planning.

There are also several different methods of 'selection', and these will vary depending on job type and industry. To determine which selection type is most appropriate, the requirements of the job role will need to be considered by utilizing the person specification and job description (Graduate Recruitment Bureau, 2021).

Some examples of selection methods include online screening and shortlisting – a more traditional approach, interviews, psychometric testing, ability and aptitude tests, personality profiling, group exercises, assessment centers and references.

A significant amount of research has been conducted into the efficiency of different selection methods, with the most effective methods found to be through the use of selection centers, provision of work samples, ability tests and structured interviews (Anderson & Cunningham-Snell, 2000).

3.3 Explain key aspects of good practice in relation to dismissal, redundancy and retirement.

The best way to avoid an employment tribunal is to ensure that best practice is followed throughout the dismissal and redundancy process.

There is a trend of increased employment tribunal claims during periods of high unemployment, and a decreased volume of claims where jobs are readily available. This was evident during 2009/2010 as the company fell into recession. Statistics highlight a 56% increase in tribunal claims, and a 17% increase in unfair dismissal claims, meaning that employees are more likely to resort to litigation if other jobs are not readily available (Hobson, 2010). If the trend analysis is correct, we should see a decrease in litigation over the 2021/2022 period due to the current economic climate.

In order to dismiss someone fairly, and to ensure best practice is followed, a Company should follow their own policies, which should be a reflection of the ACAS Code of Practice on Disciplinary and Grievance Procedures. Prior to dismissing someone a Company should ensure that there is a valid reason for dismissal which should fall within the five fair reasons for dismissal:

- Capability or performance related concerns
- Redundancy situations
- Statutory illegality or breach of statutory restrictions
- Some other substantial reason (SOSR)
- Conduct/misconduct

Key aspects of good practice in relation to dismissals include ensuring that issues are dealt with promptly and without unreasonable delay, employers are required to act in a consistent manner and ensure all necessary investigations are conducted to establish the facts of the case. Employees are entitled to be informed of the facts of the case and have opportunity to put their case forward prior to any conclusion being reached.

Employees also have the right to be accompanied at disciplinary hearings by a union representative or colleague, and employees should be given the right to appeal further to any disciplinary outcomes being issues (ACAS, 2015).

The approach to redundancies is different to the dismissal procedure. Although this is also a type of dismissal, there are different considerations and requirements to ensure a fair procedure. Failure to follow a correct redundancy procedure could result in unfair dismissal claims. Some examples of best practice during a redundancy situation include ensuring redundancies are necessary and that there are no alternative options such as alternative employment, ensuring the correct process is followed to include providing notice to employees, consulting with employees, selecting employees for redundancy and subsequently providing the correct amount of redundancy pay, notice and offering the right to appeal (ACAS, 2021).

Historically, retirement used to be classed as the six fair reason for dismissal, but this changed after the default retirement age was abolished in 2011. Age can no longer be used as a reason for dismissal (Jaluch, 2021). Employers cannot now require an employee to retire, unless legitimate business reasons can be identified as to why employees would need to retire at a specific age and are able to defend this decision in the event of any discriminatory claims.

In order to ensure good practice in relation to retirements, employers should ensure workplace discussions take place at regular intervals to explore the career plans of older workers, to support their retirement plans, and aid the employer in succession planning (Croner-i, 2021).

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