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Understanding Resourcing and Talent Planning

Question 1

According to Office for National Statistics (2020) and CIPDb (2020) the UK's employment rate is at a record high of 76.5%, and there is an increase in women in the labour market and people aged between 50-64 (only takes account of those aged between 16-64). Unemployment has been falling for the last 6 years. This report measures those actively seeking work in last 4 weeks and available to start work within 2 weeks. From November 2019 to January 2020, there were 810,000 vacancies in the UK. The most vacancies were in health and social care, retail and hospitality. In 2019, 40% of women were working part time. This has increased over the years. According to Office for National Statistics (2019) women are more likely than men to work part time with only around 13% of men doing this consistently over the years. There are also 8.48 million people who are not in the labour force who are economically inactive. This rate is decreasing for women as this figure is at a record low of 24.8%. 2.7% are students, 26% are on long term sick and 22% are caring for family members.

In comparison, Germany in October 2019 saw an employment rate as 96.9%, with only 3.1% of those being unemployed (EURES, 2019). Similarly to the UK, Germany's unemployment rate has fallen since 2013 (OECD data, 2019). Women working part time has decreased over the years from it being 38.3 in 2009 to 36.6 in 2018 whereas the number of males working part time has increased from 7.9 in 2009 to 9.3 in 2018. The number of people working part time has been consistent over the years. Similarly to the UK, from 2009 to 2018, there has been a steady increase in women in the workforce with the total in 2018 being 20105. According to OECD data (2019) from November 2019 to January 2020 there were 715,000 vacancies in Germany.

In the following categories there are currently more vacancies than qualified unemployed people throughout Germany (EURES, 2019):

- Care for the elderly
- Medical, orthopaedic and rehabilitation technology
- Plumbing, sanitation, heating and air conditioning
- Energy Engineering
- Automotive, aerospace and naval engineering
- Civil engineering
- Train Driving

In February 2019, there was a national average of 2.5 jobseekers for every reported vacancy. The demand for new staff remains at high levels. The following are the main occupational categories in which there is currently a surfeit of qualified unemployed people (EURES, 2019) Metal fishing, police, criminal investigation services, doctors, administrative, building construction, transport, monitoring and management and metal working.

Overall the UK and Germany are very similar in terms of their labour trends, as both have an increase in the number of women in the workforce, the number of unemployed has increased, and both have high levels of employment rates. Both also have high number of vacancies especially in areas such as health and social care. There were some differences as Germany require different skills to those of the UK. There were also more males in Germany in part time work compared to UK and Women working part time in the UK has increased whereas it has decreased in Germany.

Question 2

A major and fundamental objective of the HR function is the mobilisation of a workforce. In order for organisations to operate successfully they need a pool of people with the right skills, attitudes and experiences to meet the organisations objective. It is important that HR plan ahead to meet future demand for skills (Wilkinson & Taylor, 2016). Retirement and dismissal, labour market analysis, talent planning, job design, recruitment and selection, retention and succession planning are some activities of resourcing and talent planning (CIPD, 2020a).

According to CIPD (2020a) workforce planning can be defined as *“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”*.

To plan effectively in an organisation, they need to understand the labour market. According to Wilkinson and Taylor (2016) there are a variety of sources of labour. These can consist of the following:

Job Seekers in:	Local market - These people are based within the local area. These are useful where companies are looking to fill low skills roles. National market - These are people based anywhere in the country. They tend to be suited to companies that are looking to fill skilled/specialist roles who are willing to relocate. International market - these are people based anywhere in the world. These again are more suited to companies that are looking to fill skilled/specialist roles. These are roles that tend to have a shortage. Organisations that require these individuals to work for them, will need to consider immigration laws.
Those working in other companies	These people are not actively looking for other work but may consider moving if organisations make them the right offer.
Graduates	These people are actively looking and want structured development plans.

School Leavers	These people are new to work and organisations will need to invest in training and development for them. School leavers tend to have the skills needed for the organisation for instance, welsh baccalaureate is aimed for employability skills.
Economically inactive	This category consists of the retired, people with long term health problems, people with caring responsibilities. These individuals could enter the workforce if right incentives/provisions are made.

Tight and loose labour markets impact on the ease with which organisations can recruit employees. A tight labour market is when there are high employment levels, not enough people with specific skills, demand for people exceeds supply and employees have increased bargaining power. A loose labour market consists of high unemployment, skills are readily available, demand for jobs outstrips supply and employer has increased bargaining power. A PESTLE analysis can help determine if organisations are targeting a tight or loose market (Wilkinson & Taylor, 2016).

Organisations can start to plan once they know the type of labour market and their sources of employees. To effectively plan, the organisation needs to consider what employees and what skills they need in their organisation for the future.

According to Wilkinson & Taylor (2016) organisations need to forecast the supply and demand of labour and develop plans to reconcile any gaps needed in the future between human resources an organisation needs and those it has access to. Workplace planning needs to be linked to the companies goals and be a part of the strategic business planning process. The plan will determine appropriate talent management activities including recruitment, succession planning, development, performance management, employee engagement and retention (CIPD 2020a).

The following four stages should be followed when it comes to workplace planning (Wilkinson & Taylor 2016):

1. Forecasting the organisations future demand for skills:

This involves asking the following:

- What tasks will need doing?
- How can these best be divided into individual job roles?
- What skills are needed for each role?

There are a number of approaches that can be taken to answer the above.

Systematic techniques - looking at past trends to predict future needs and working back from the outputs desired.

Managerial judgements - based on the knowledge and experience of senior staff.

Working back from costs - begins with the future budget and then determine how many staff can be afforded.

From these organisations should be able to identify what job roles, people and skills are needed for them to draw up job descriptions and person specifications.

2. Forecasting supply:

Current resources of the organisation also need to be looked at. Organisations need to identify total number of people employed, total wage cost, the workforce composition and the levels of sickness absences. After looking at the people that the organisation has, they must assess the skills they have. This can be done by consulting person specifications for current job roles, appraisal information and internal training records. Organisations must also estimate the number of employees who are likely to stay in the future. Organisations need to think about their employee turnover trends.

3. Identifying gaps between demand and supply:

1. Create a competency framework for each of the common roles. This would be a list of all desired characteristics that are required for the role and the level of skill required.
2. Line managers should complete an audit on each current employee, and should base assessments on personal judgements, observation and discussion with the employee.
3. Summarise the results for the whole workforce to identify the total skills currently available and how this matches the skills that are needed for the future.

4. Making plans to fill any gaps:

The organisation needs to determine how they can make use of their existing resources. To best use their resources, organisations can move people, offer training, encourage individuals to share knowledge, making sure valued employees are retained and not lost, removing individuals if their skills/aspirations do not match the organisations needs.

How external sources of skills can be utilised must also be identified by organisations. Ways they can do this is by assessing the nature of the local labour market, considering recruiting from further afield and considering the usefulness of bring individuals in on a contract basis/experience programmes.

According to Wilkinson and Taylor (2016) and CIPD (2020c) succession planning is “*a group of activities aiming to ensure that at any time an organisation has sufficient numbers of people with the ability, knowledge, personal attributes and experience necessary to step in to roles when they become vacant*”. The aim of succession planning is to develop pools for talent from which a replacement can be selected as and when a vacancy becomes available. Appraisals is where a manager can identify if employees have aspirations to step up. During appraisals managers can assess their skills and can agree development plans. To develop individual skills, formal training programmes, on the job training and coaching, work shadowing, mentoring schemes, experience in different departments, acting up duties can be used so that they have the experience. This enables a smooth transition. It’s important that organisations balance

internal development with external new blood, as external people can bring new ideas and approaches to the organisation.

It is important that organisations give all employees fair access to the opportunities available in the workplace. Some ways consist of, providing communication to all, conducting regular appraisals, mechanism where anyone can express an interest in opportunities, fair selection process and positive action initiatives.

Question 3

In order to attract and retain talent, an organisation needs to be aware of their competitors. Organisations need to consider what employment package their organisation can offer to differentiate from competitors. They need to know their strengths and weakness of employment deals they offer. Higgs (2004) differentiates on two factors. Reward (the amount of money the employer is willing or able to pay its employees) and culture (the extent to which employees are respected and treated ethically).

- Employer of cash – When an organisation treats employees harshly but pays them well.
- Employer of values – When an organisation cannot pay market rate but treats employees very well.
- Employer of churn – When an organisation both pays poorly and treats employees harshly.
- Employer of choice – When an organisation both pays well and treats employees fairly.

Being an employer of choice is the aim for all organisations especially where labour markets are tight.

Organisations also need to consider their employer branding. According to CIPD (2019b) this is defined as *“a set of attributes and qualities, that makes an organisation distinctive, promises a particular kind of employment experience, and appeals to those people who will thrive and perform best in its culture”*. A strong brand helps to attract and retain talent. Employer branding should be aligned to values, strategy and policies. The message needs to be consistent or the organisation risks damaging the brand and reputation. An organisation also needs to have a unique selling point. Organisations needs to consider if the brand reflects the culture, employee attitudes and the benefits offered. Social media can also have an impact on employer branding for instance it allows for reviews and ratings of an organisation, it allows for people to express their feelings through comments and it allows for people to share posts freely.

Organisations need to ensure that the right people stay in the organisation (Wilkinson & Taylor, 2016). Functional turnover is desired by organisations as it removes poor performers, saves wages, allows others to progress and introduces new blood. Dysfunctional turnover however is undesired. It is expensive to replace employees, leads to loss of skills and knowledge and has an impact on remaining employees. Measuring turnover and costs can help organisations understand the extent of the problem and make a strong business case to introduce strategies to combat the turnover.

There are direct and indirect costs of turnover according to Wilkinson and Taylor (2016):

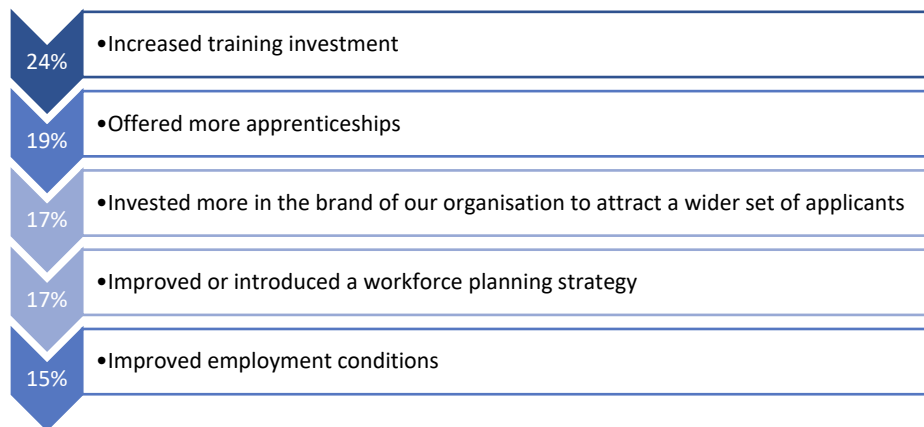


There are various way to find out why staff leave an organisation. Each have advantages and disadvantages:

Exit interviews	This involves a line manager or HR having a discussion with the employee that is leaving. Some companies use a questionnaire rather than face to face discussion. During this, the employer can find out the main reasons for them leaving and see if there is any way to prevent them from resigning (Wilkinson & Taylor, 2016). Exit interviews are also confidential and can be used to gather data to see if there are consistencies/trends and review policies accordingly (Miller, 2018a). There are some drawbacks to exit interviews. It is important that the line manager/HR avoids standard questions that can pre-judge a response and they should consider the best timing for the exit interview. Employees may be downplaying their true reasons for leaving (Miller, 2018a).
Staff attitude surveys	Organisations can distribute these in order to gauge morale ad pick up issues. It can be sent to the whole organisation or business areas/job groups (Wilkinson & Taylor, 2016). The advantage is that they are anonymous so more people are likely to be honest in their answers. Disadvantage could include that not everyone will take part, some people may not want to take part because they are cautious that someone may be able to see what they have answered even though they are reassured that it is anonymous. It may also be hard to establish what impacts turnover from the results (Miller, 2018a).

Surveys of former employees	This is completed a couple of weeks/months after they leave the organisation (Wilkinson & Taylor, 2016). This can be seen as an advantage as they are more likely to be honest in their answers as they have nothing to lose. It is also confidential. It can be seen as a disadvantage as it would be considered to be too late to do anything about their responses as something should have been done straight away in order to see if the organisation can prevent resignation e.g. exit interview. Another disadvantage could be that employees may not want to participate as they have moved on.
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According to CIPD (2017), the top 3 steps taken to improve retention is to increase learning and development, improve induction process and improve benefits. According to CIPD (2020b) the measures employers have adopted to improve recruitment and retention over the last two years are:



Question 4

Recruitment can be required when a new job is created or when someone leaves the business. According to Wilkinson & Taylor (2016) *effective job analysis is considered to be the essential foundation of any 'good practice' approach to recruitment and selection*. A job analysis is a *systematic analysis of the duties that make up the vacant job*. It gathers objective information on attributes and helps fair selection. Job descriptions and person specifications are derived from the job analysis and form principal tools for hiring.

Job descriptions and person specifications should detail what the job involves and the attributes needed. They are used to write a job advertisement and are used by recruitment agencies. They are seen by perspective candidates and produce a criteria for shortlisting. They ensure best fit, matching abilities and attributes to requirements (Wilkinson & Taylor, 2016).

As seen in figure 1, job Descriptions usually list the following (ACAS, 2019).

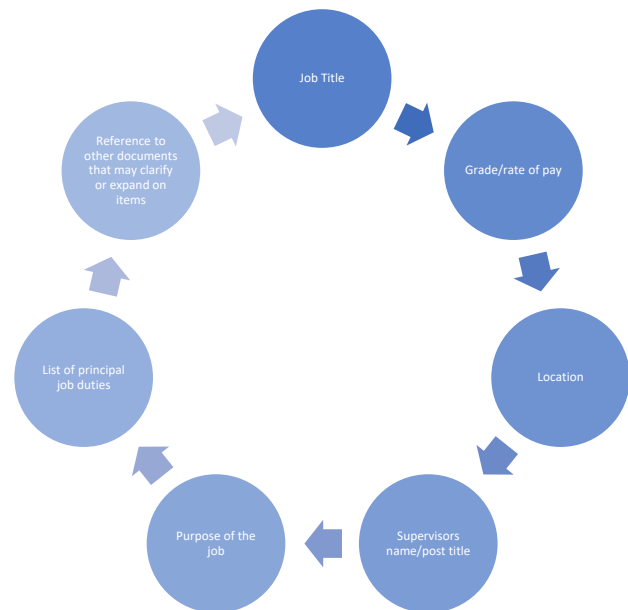


Figure 1

Person specifications tend to include the following under a number of headings including (Wilkinson & Taylor, 2016):

- Skills – IT competencies, language
- Experience – in a similar role/company/industry
- Qualifications – generally vocational
- Education (GCSEs, A levels, Degree)
- Personal attributes – professionalism, creativity

Competency framework is an alternative approach, or to be used alongside job analysis. It is an analysis of people and the attributes they have. It focuses on the person rather than the job. Organisations recruit based on key characteristics/desired competencies. This links to the core values of the organisation (Wilkinson & Taylor, 2016).

There are different methods of recruitment an organisation can use:

Internal e.g. promotions, transfers, job rotation and former staff.	The advantages to this type of recruitment is that it is cheap, gives internal employees opportunities for promotion and it can increase motivation levels knowing that this is available (Webber, 2020). The drawback is that it can lead to group think as no new ideas are being brought into the organisation. The organisation may not be getting the best people for the role if they advertise internally only.
Media e.g. job boards, social media, direct mail, local radio, newspaper and journals.	The advantages to the media is that it can reach a vast amount of people quickly. Advertising on social media is free, and it can target all ages, people can share, like and comment on posts meaning that more people can see it. The disadvantage is that there can be a lack

	of control and newspapers, job boards and journals can be expensive to advertise on (ACAS, 2013).
Specialist expertise e.g. head-hunters, employment agencies, professional contacts and graduate hiring.	The advantages to this type of recruitment is that it can be a fast way of hiring and agencies have the skills, resources and experience from dealing with a large variety of clients. It can however be costly, agencies may have their own agenda and they may not be working in the best interest of the organisation (Wilkinson & Taylor, 2016).
Educational liaison – e.g. Careers fairs, advisors, student services	The advantages of this is that organisations can gain access to a large amount of people in one environment, they can increase brand awareness and it's an opportunity to meet people face to face. It is also a good opportunity to speak to the future work force in schools to show what skills are needed for the workplace and to sell the career and organisation at a young age. The disadvantage is that it is time consuming and quite often there is little return however it is good to attract future work (long term gain) (Wilkinson & Taylor, 2016).

There are also different methods of selection:

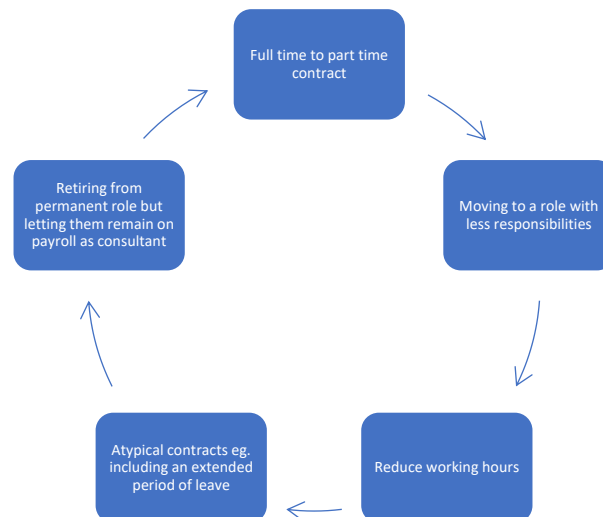
Interviews e.g. over the phone, face to face, panel, group.	<i>Over the phone</i> – Advantages to this is that you can identify those who are suitable to go further in the process it is also good to use when candidates are from overseas. <i>Face to face</i> – Advantage to this is that you get to meet the person and see how they work under pressure. The panel can also ask probing questions to understand the candidate better. It is also an opportunity for the panel to build a relationship. The disadvantage to interviews is that it can be time consuming, can be costly and it is not a true reflection of the candidate because of the pressure of the interview. The panel also have to be careful with the types of questions asked. (CIPD, 2019a)
Application procedures – submit CV, application form	Advantages to application procedures is that it allows the company to do background checks on the individual. Organisations can also ask for references from past employers. It also allows the organisation to see what experience they have for the role, where they have previously worked and the qualifications they hold.

	The disadvantages to these are some people can lie on their applications. CVs take less time to complete and send in. This may attract more candidates but not the right candidates who can do the role. Another problem with applications is that other people could fill it in on behalf of the candidate. (CIPD, 2019a)
Ability and Personality tests – IQ, literacy and numeracy, job specific, personality questionnaires	The advantages to this is that the organisation can gain behavioural insight and it can reduce the chance of putting the wrong person in the wrong role. It can help narrowing the selection of candidates, as it gives insight in into the characters of all applicants. It also offers a deeper insight on how candidates will fit into the organisation. Disadvantages are that they are time consuming, they can be expensive and are not always the best indicators of how successful an individual will be in a job. Candidates may answer the questions in a way that pleases the interviewer (CIPD, 2019a).
Assessment Centres – presentations, work samples, group activities, role-playing	The advantages to this is it allows organisations to get closer to the selection process by observing how a candidate performs a task that would be carried out as part of the role. Limitations are that it is time consuming and can be expensive. (CIPD, 2019a)

There are three types of employee departures:

Retirement

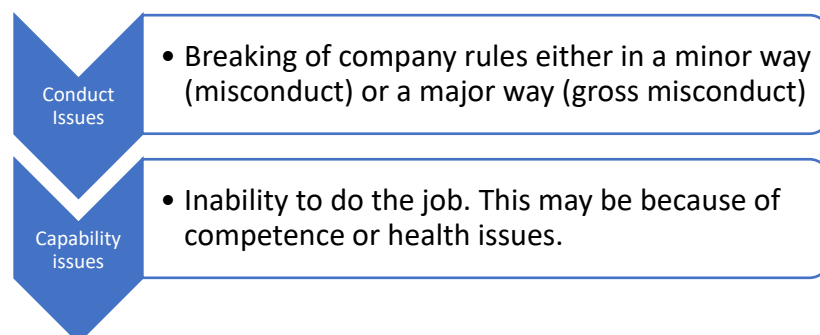
According to Wilkinson & Taylor (2016) and ACAS (2020a), retirement is voluntary employee turnover. Retirement is when an employee departs from the organisation because they have reached the age for departure. The retirement age for both women and men are 65. It is unlawful for any company to compulsory retire an employee because they are coming close to retirement age/at the retirement age unless there is a genuine reason. If an employee is unable to do the role because of their age, the organisation should deal with this through the performance and capability process. Good practice in relation to retirement is for management to have ongoing discussions with employees. It's important that line managers are aware of the emotional sensitivity surrounding retirement. Line managers should offer employees different options. It's important that they understand their specific needs to tailor the process and create a trusted and open communication. The different options could be:



Line managers need to be equipped and encouraged to discuss retirement options/flexible working and be aware of health and wellbeing options such as occupational health.

Dismissal

According to Wilkinson & Taylor (2016) and GOV.UK (2020) dismissal refers to involuntary employee turnover. Dismissal is when the employer ends the employee contract because the employee has failed to meet the requirements of the role. There needs to be a valid reason in order to dismiss, and a fair process and procedure must be followed including investigation, chance to improve, giving reasonable notice, invite with reasons and evidence, right to be accompanied, taking appropriate action that is consistent and where they have a right to appeal the decision. Organisations should always follow the ACAS code of conduct (ACAS, 2020c). A valid reason for dismissal falls into two categories:



Redundancy

Another type of involuntary turnover is redundancy. According to Wilkinson & Taylor (2016) and (ACAS, 2020b) this is when the job role that an employee performs is no longer viable. Redundancy occurs where there has been or is going to be a closure of the business, a closure

of the workplace or a decrease in the need for employees to do a certain job. It is good practice for organisations to find alternatives to compulsory redundancies such as offering voluntary redundancy or early retirement, flexible working, temporarily reduce working hours, ask employees to stop working for a short time, retrain employees to do other jobs in the workplace, let go of temporary or contract workers and limit or stop overtime. There are benefits to finding alternatives. It can lift staff morale and leads to a better reputation and ability to expand in the future.

Again, the organisation should follow the ACAS (2020b) guidance on process and procedure when redundancy is the only option by following the following: planning (consider alternatives), identifying the pool for selection, seek volunteers, consult employees (good practice to follow guidance for collective redundancy when 20+ or more), fair selection for redundancy, appeals and dismissal, find suitable alternative employment, redundancy payment and offering counselling and support. It is important that organisations communicate and are transparent as possible throughout and to pay attention to those who remain employed such as reassuring them, lifting morale and monitoring their workload.

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