

1. Introduction

This document serves as a guide to organizations (public, parastatal and private) in the planning of human resources at organization level.

Organizations/Companies in Seychelles, just like others operating in different countries, must now operate in a rapidly changing business environment. These changes have important implications for HRM practices. To ensure that management practices support business needs, organizations must continually monitor changing environmental conditions and devise HRM strategies for dealing with them. The procedure used to tie human resource issues to the organization's business needs is called strategic human resource planning.

In accordance with the National Human Resources Development Policy, each employing organization should have an employee dedicated to the coordination and implementation of human resource planning and development. That person should serve as the focal point for human resources planning and development matters in liaison with the NHRDC.

2. Purpose of Strategic HR Planning

A comprehensive Human Resource Strategy plays a vital role in the achievement of an organization's overall strategic objectives and visibly illustrates that the human resources function fully understands and supports the direction in which the organization is moving. A comprehensive HR Strategy will also support other strategic objectives undertaken by the operational Departments/Divisions of the organization.

In essence, an HR strategy should aim to capture "the people element" of what an organization is hoping to achieve in the medium to long term, ensuring that:-

- It has the right people in place
- It has the right mix of skills
- Employees display the right attitudes and behaviours, and
- Employees are developed in the right way.

If, as is sometimes the case, organization strategies and plans have been developed without any human resource input, the justification for the HR strategy may be

more about teasing out the implicit people factors which are inherent in the plans, rather than simply summarizing their explicit ‘‘people’’ content.

3. Making the HR Strategy integral to the organization

The human resources practitioner should ensure that the HR Strategy is integrated with broader organizational objectives. Above all, it should ensure that the rest of the organization accepts the strategy. To achieve this objective, practitioners should:-

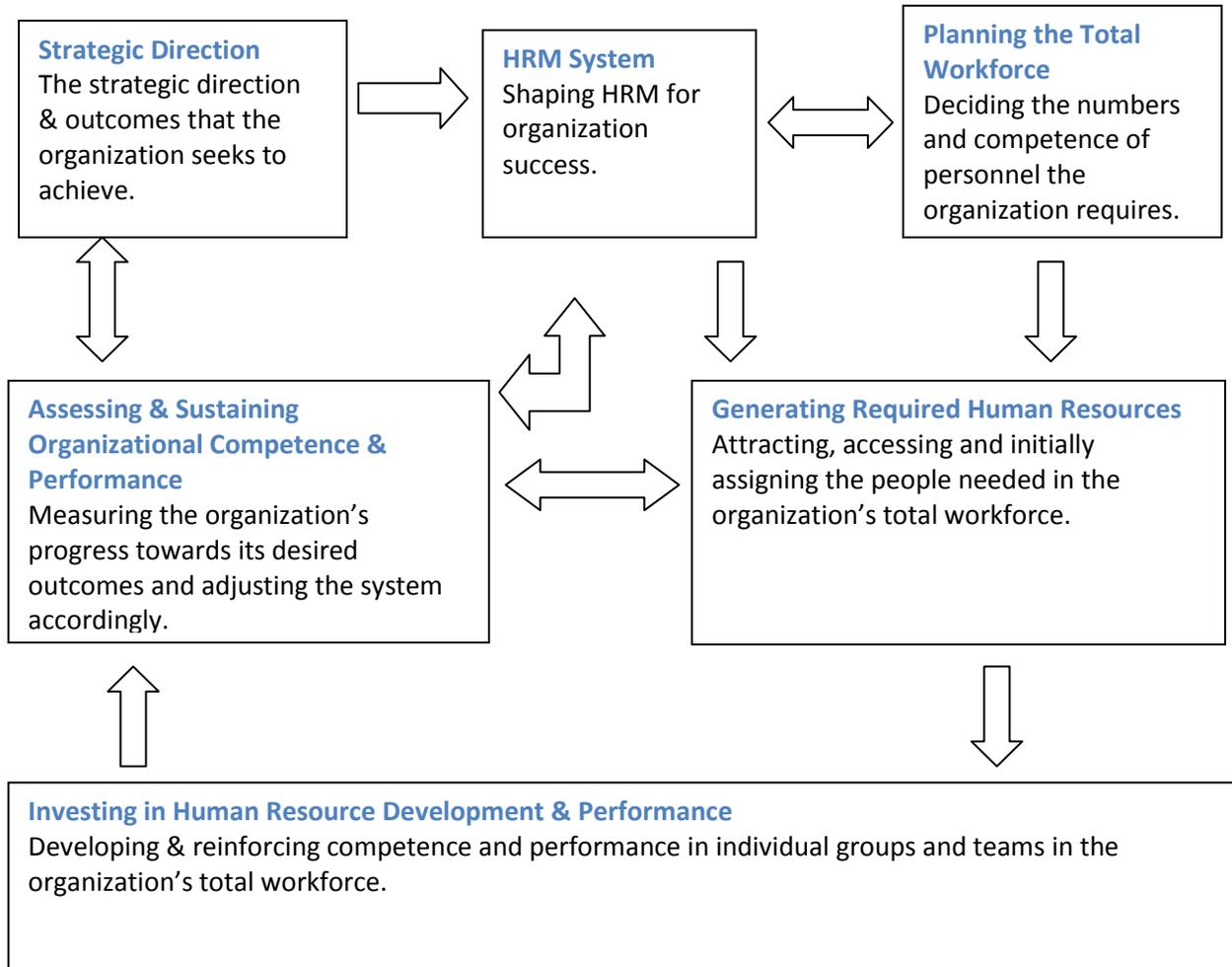
- Consult all stakeholders on the nature of the strategy;
- Cultivate and develop allies and supporters of the strategy through the consultation process;
- Focus on the benefits which are being derived from the strategy through talking to and persuading others, and by marketing the benefits of the strategy with concrete examples of how it has helped;
- Checked that there is real commitment to the strategy at all levels of the organization;
- Give regular feedback on the implementation of the plan through meetings and other forums;
- Where possible, build into the strategy quantifiable outcomes which can be easily monitored and evaluated, so that it is possible to show the effect;
- Make the strategy part of the induction process – especially for senior managers.

4. A Strategic Human Resource Planning Model

There is no single approach to developing a Human Resources Planning Strategy. The specific approach will vary from one organization to another. Even so, an excellent approach towards a HR Strategic Planning System is evident in the model presented below. This approach identifies six specific steps in developing a HR Strategic planning system:

- 1. Setting the strategic direction**
- 2. Designing the Human Resource Management System**
- 3. Planning the total workforce**
- 4. Generating the required human resources**

- 5. Investing in human resource development and performance
- 6. Assessing and sustaining organizational competence and performance



The six broad interconnected components of this system illustrated above, consist of three planning steps and three execution steps.

The top three components represent the need for planning. Organizations must determine their strategic direction and the outcomes they seek. This is usually accomplished with some form of strategic planning. Classic strategic planning is a formal, top-down, staff-driven process. When done well, it is workable at a time when external change occurs at a more measured pace.

However, as the pace and magnitude of change increases, the approach to strategic planning changes substantially:

- First, the planning process is more agile; changes in plans are much more frequent and are often driven by events rather than made on a predetermined time schedule.
- Second, the planning process is more proactive. Successful organizations no longer simply respond to changes in their environment, they proactively shape their environment to maximize their own effectiveness.
- Thirdly, the planning process is no longer exclusively top-down; input into the process comes from many different organizational levels and segments. This creates more employee ownership of the plan and capitalizes on the fact that often the most valuable business intelligence can come from employees who are at the bottom of the organizational hierarchy.
- Lastly, the strategic planning process is less reactive and more driven by line leadership.

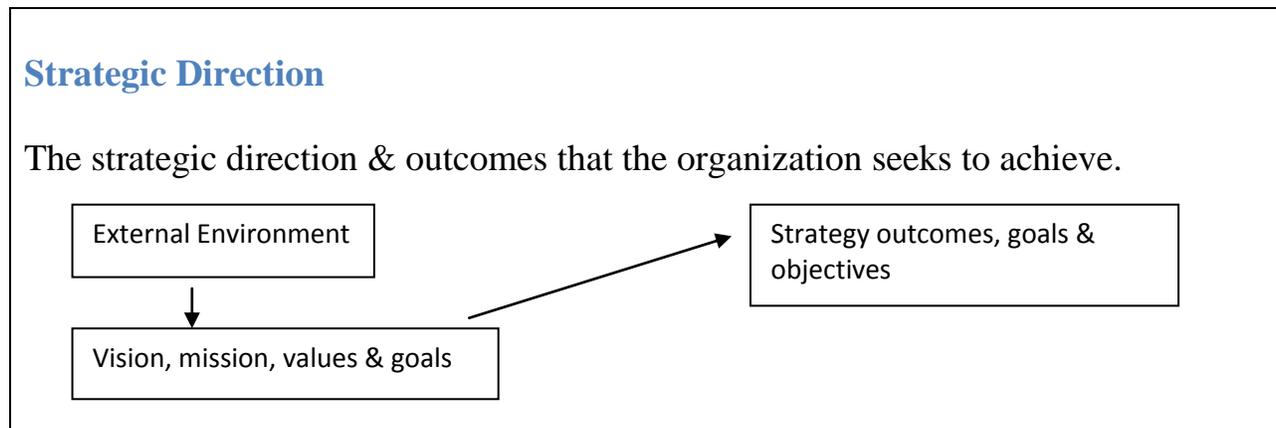
Once strategic planning is under way, a process must be undertaken by the organization to design and align its HRM policies and practices to provide for organizational success. The remaining step in planning is to determine the quality and quantity of human resources the organization needs for its total force.

The rest of the HR strategic system exists for and is guided by these plans, policies and practices. These execution components contain mechanisms that generate the correct skill sets, invest in staff development and performance and productively employ them in the organization. The last component provides a means to assess and sustain the competence and performance of the organization and the people in it with regard to outcomes that the organization seeks.

5. Analysis

Using the process model discussed earlier, the specific components of the HR Strategic Plan are discussed in greater detail below.

5.1 Setting the Strategic direction



This process focuses on aligning human resource policies to support the accomplishment of the organization’s mission, vision, goals and strategies. The business’ plan sit at the heart of any HR strategy and in order to align business and HR you need to answer one key question, “can your organization’s internal capability deliver the organization’s goal?”

Many organizations cite their people as their primary source of competitive advantage. Successful companies continuously identify and adopt innovative human resource management policies and practices to sustain that advantage. More importantly, they structure work and design training, performance management, pay, and reward policies to help members of the organization succeed in achieving desired organizational outcomes. In other words, they integrate and align HRM policies and practices to reinforce employee behaviours that can best realize the leaders’ strategic intent. In the most successful companies, the set of policies and practices that collectively make up a company’s HRM system is the critical management tool for communicating and reinforcing the leaders’ strategic intent.

Recommended actions:

- Conduct an external environmental scan and evaluate its impact on the organization

- Identify the organization's vision, mission and guiding principles
- Identify the mission's outcomes and strategic goals
- Consult all relevant stakeholders
- Evaluate the impact of legislation on the organization

5.2 Designing the Human Resource Management System

HRM System

Shaping HRM for the organization success.

HRM plans, policies, procedures & best practices

This stage focuses on the selection, design and alignment of HRM plans, policies and practices. Various options may be open to the organization such as drawing on industry best practices.

Emerging HRM policies and practices range from outsourcing certain non-core functions, adopting flexible work practices (telework, work from home) and the increased use of information technology. Not every industry trend may be appropriate for a specific organization. In addition, it is essential that a cost-benefit analysis of implementing new HRM policies and practices be undertaken. For example, the costs (monetary and in allocation of resources) of implementing a new job grading system may outweigh the benefit of such an undertaking. There may be more cost-effective alternatives available to the organization at this point in time.

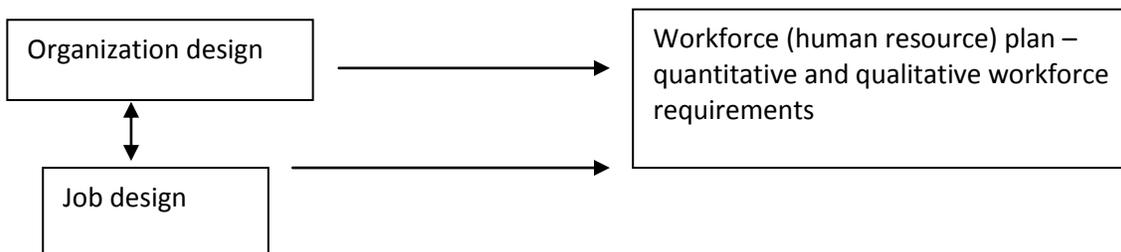
Recommended actions:

- Identify appropriate human resource plans, policies and practices needed to support organizational objectives
- Identify relevant human resource best practices
- Conduct an employment systems review

5.3 Planning the total workforce

Planning the Total Workforce

Deciding the numbers and competence of personnel the organization requires.



Determining future business requirements, especially those relating to human resource requirements, represents one of the most challenging tasks facing human resource practitioners.

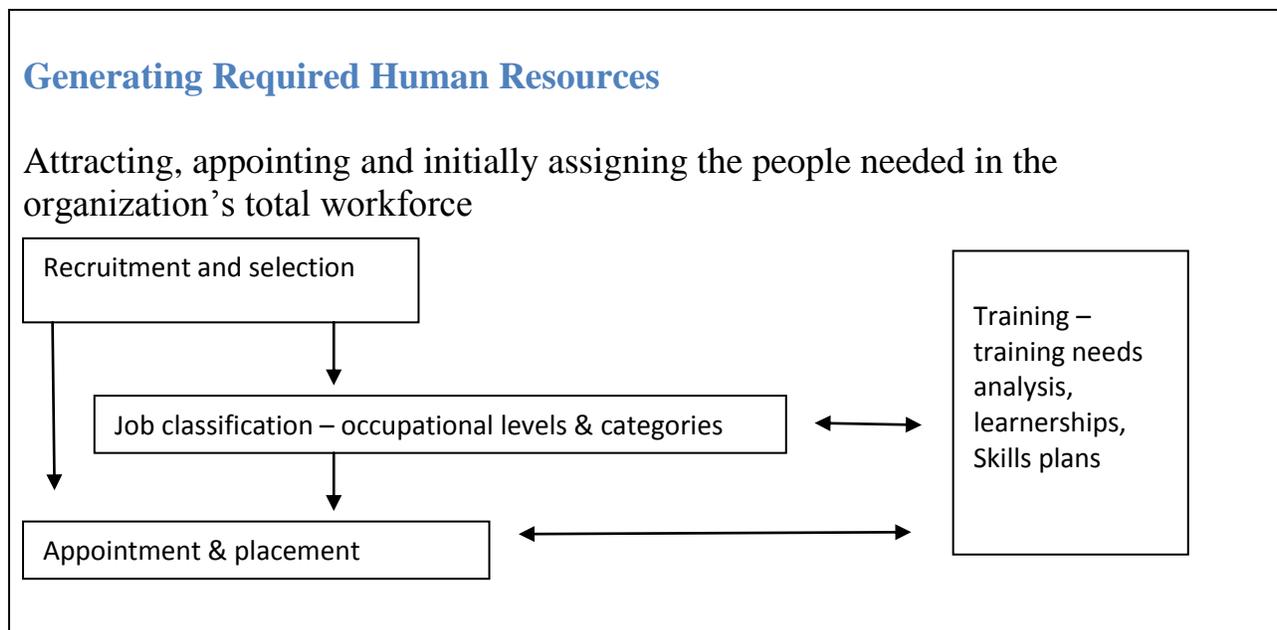
The development of a workforce plan is a critical component of any human resource strategy and one of the expected outcomes of human resource practitioner's activities. Despite this, human resource or workforce planning, as well as succession planning, has only recently enjoyed resurgence in popularity. To some extent this has been prompted by the need to develop employment equity and workplace skills plan and set numerical employment equity targets. The failure of many organizations to develop and implement workforce planning is rather indicative of the lack of strategic planning itself.

Workforce planning is a systematic process of identifying the workforce competencies required to meet the company's strategic goals and for developing the strategies to meet these requirements. It is a methodical process that provides managers with a framework for making human resource decisions based on the organization's mission, strategic plan, budgetary resources and a set of desired competencies. Workforce planning is a systematic process that is integrated, methodical and ongoing. It identifies the human capital required to meet organizational goals, which consists of determining the number and skills of the workers required and where and when they will be needed.

Recommended actions:

- Determine the appropriate organizational structure to support the strategic objectives
- Structure jobs (competences, tasks and activities) around key activities
- Develop a workforce plan designed to support the organizations strategic objectives
- Compile workforce profiles, identifying designated groups, an inventory of current workforce competencies, competencies required in the future and identified gaps in competencies

5.4 Generating the required human resources



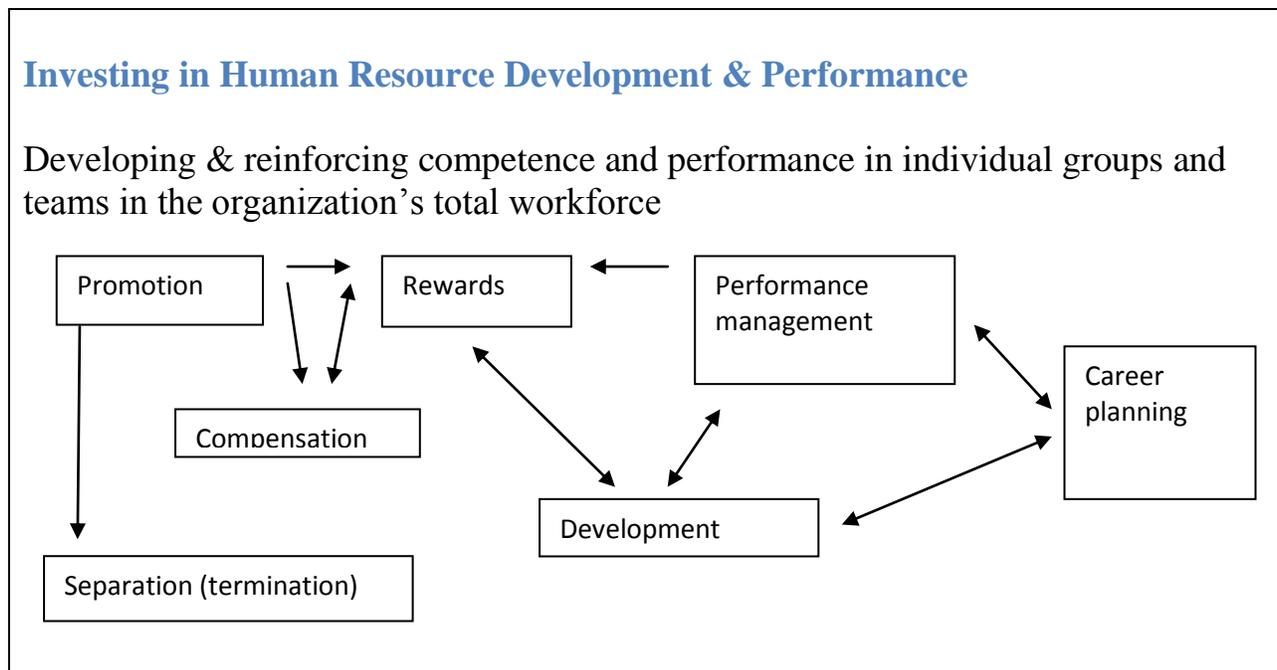
This process focuses on recruiting, hiring, classifying, training and assigning employees based on the strategic imperatives of the organization’s workforce plan.

A comprehensive workplace skills plan will identify appropriate training priorities based on the organizations workforce needs now and in the future.

Recommended actions:

- Evaluate recruitment and selection practices in light of the organization’s strategic objectives
- Develop and implement a comprehensive workplace skills plan (with a thorough training needs analysis)
- Implement a learner ship strategy
- Adopt and clarify occupational levels and category classifications

5.5 Investing in human resource development and performance



Traditional approaches to career planning, performance appraisals, reward management and employee development must be re-appraised in light of the vision, characteristics and mission outcomes as reflected in the HRM plans, policies and practices.

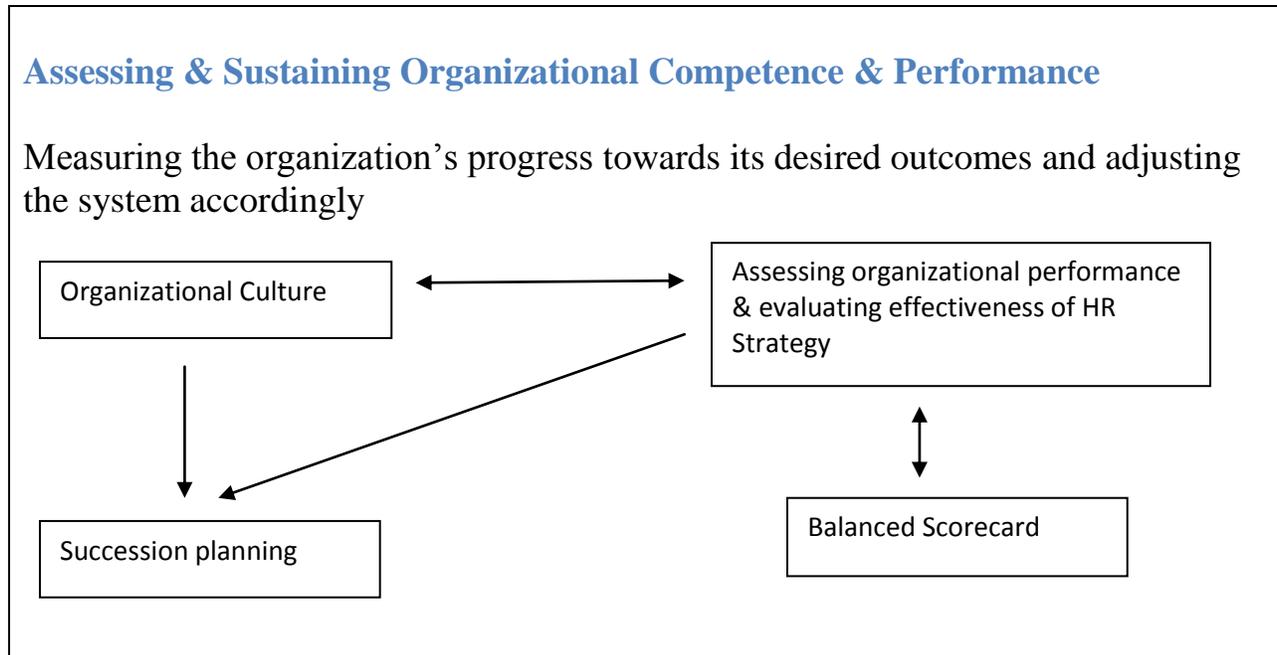
Recommended actions:

Identify appropriate policies, procedures and practices in respect of

- Career path
- Performance appraisals

- Employee development and learning
- Reward management (compensation and benefits)
- Promotions and job assignments
- Separation

5.6 Assessing and sustaining organizational competence and performance



Finally, few organizations effectively measure how well their different inputs affect performance. In particular, no measures may be in place for quantifying the contribution people make to organizational outcomes or, more important, for estimating how changes in policies and practices, systems, or processes will affect that contribution. Implementing clear quantifiable measures, identifying milestones in the achievement of specific organizational goals, and using concepts such as a “balanced scorecard” will articulate the results of the HR Strategic Plan in measurable terms. Regular evaluation of the plan will also assist in fine-tuning the HR strategic plan itself.

Recommended Actions:

- Evaluate organization culture and climate
- Implement succession planning
- Evaluate HR strategy using quantifiable measures, e.g. balanced scorecard

- Revise and adapt HR strategy.

6. Conclusion

While HR strategies must be developed to support the achievement of the organization's objectives, it is a two-way process. HR strategies can themselves be critical inputs in determining the strategic initiatives for the organization. A fatal error, however, is to develop and implement HR strategies without having regard for the goals and objectives which the organization has explicitly or implicitly identified. A common mistake is the development of workplace skills plans which are not linked to any strategic goals or objectives or which have no affirmative action components.

Similarly, the isolated identification of affirmative action numerical targets without first conducting a workforce and succession planning exercise is in most instances, simply meaningless.

References:

Michael Armstrong, 1999. A handbook of Human Resource Management Practice
Richard Stafford, 2007. EU/UNDP National Capacity Building Programme for State and Non-State Actors in Seychelles