UNIT 5   CONTEMPORARY TRENDS IN MANAGING DEMAND AND SUPPLY

Objectives

After going through this unit, you will be able to:

l   the concept of emerging organisational structure,

l   the transformations through social, economic, organisational and technological changes at workplace,

l   building an organisational culture, and

l   the various resource systems supported through performance appraisal system in an organisation.

Structure

5.1   Introduction

5.2   Emerging Organisational Structures

5.3   Transformations at the Workplace

5.4   Flexible Workforce

5.5   Building a Culture

5.6   Performance Appraisal

5.7   Staffing

5.8   Compensation and Benefits

5.9   Dealing with Relocations and Redundancies

5.10   Human Resource Measures and Adult

5.11   Trends in Labour Supply

5.12   Trends in Labour Demand

5.13   Summary

5.14   Self-Assessment Questions

5.15   Further Readings

5.1   INTRODUCTION

"The new organisation equation for success is that profit and productivity are best created by half of the workforce, paid twice as well as producing three times as much" — Charles Hardy.

In fast changing world, there have been qualitative shifts in pattern of employment, yet the importance of deploying the right human resource at right times has not diminished. In the modern world, due to continuous changing technology and dynamic character of business, there is an increasing demand for skilled, multi-skilled knowledge workers and professionals who are difficult to find and retain. Increasing demands of consumers to get "value for money" and global competition, keep enterprises on their toes, resulting in increased demand for people with appropriate talents along with the right values and beliefs. Shifts in demographics, globalization of markets, rapidly changing technologies, increasing consumer demands, curtailment of product life cycles, excess or shortage of workforce, continuously shifting political and economic alliances and several other environmental factors have posed several challenges for industries and, in turn, for human resource management.

5.2   EMERGING ORGANISATION STRUCTURES

Today's dynamic and fast changing environment has given rise to flatter organizational structures. Some organizations like to display flat and reversed pyramids, with the customer at the top level and the first line staff at the second level and so on as shown in Exhibit 1.

Exhibit 1: Organization Structures

Customer

New Pyramid (Reversd)

Customer

Traditional Pyramid
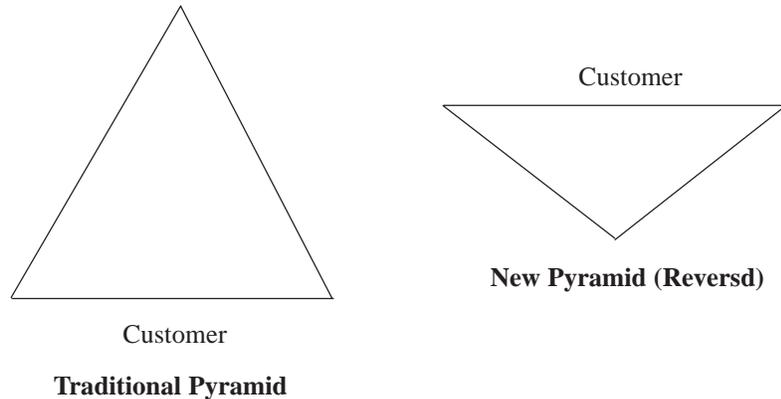
In reality, however, and for long-term survival, the organisational structure should be like a flexible ring, with the customer and the market place at the centre. The ring has to be organic with the fluid organistion changing its complexion to suit the demands of the market place.

These are the days of neo-conglomerates, where multiple organisations get together to manage specific demands of the market. At the same time, two organisations might be competing for one product line in a market and working as partners for a second product line, acting as distributors for each other for a third and for a fourth might be indifferent to each other. In this ever changing, dynamic corporate world, new definitions of hierarchy, chains of command and reporting relaltionships continuously emerge. Self-managed work groups, with focus on providing quality services and products that cater to specific customer demands are the realities of today. There is a clear shift from function centered to process centered organisation structures, where every process that the organisation evolves is with a specific purpose to satisfy some customer need. Performance measures are established to evaluate and continuously improve processes with irrelevant processes being abolished and new ones being evolved continuously. This type of an organisation is organic, relevant and stand the test of time. Long-term survival, however, depends on the organisation culture. Values and beliefs evolved by the enterprise would have their focus on people and the market in order to sustain over a long period. If values and beliefs do not focus on these key factors (customers and employees) the probability of the enterprise surviving for a long-term will be dismal.

This is indeed a challenging era for the human resource planner who has to plan for a dynamic flexible work force which cannot be precisely defined.

5.3   TRANSFORMATIONS AT THE WORKPLACE

Social, economic, organisational and technological changes influence the occupational structures at the workplace. Traditional trades have given way to new occupations, and new definitions of work are emerging. Some of these trends are discussed here.

Trend – 1

A progressive shift from blue-collar jobs both from the service as well as manufacturing sectors to white collar jobs primarily in the service sector. Shift of this nature is obviously resulting in inter-sectoral movement of people, with the bulk of this shift being from the manufacturing sector to the service sector.

Trend – 2

A shift from the agricultural to the service sector. The old trend of rural to urban movement still continues and even within a rural setting there is rapid growth in the service industry.

Trend – 3

Growth in the educated, skilled work force as opposed to the semi- and unskilled employees of the past. This changing pattern of the work force has its own behavioural and attitudinal implications in this work place.

Trend – 4

Decline of traditional occupational groups. New classifications, based on broad skill sets, are emerging in today's industry mainly due to multi-skilling and multi-tasking. We can, in today's context, see teams of production workers and teams of maintenance engineers with hardly any difference within them in terms of grades/skills.

Trend – 5

With the increasing focus on productivity improvement, employment in the higher occupational grades is increasing and the number of jobs in the lower grades is on the decline. This is because the knowledge and skills required to manage and operate new technologies and work processes are of higher levels than those in the past. Enterprises are, therefore, continuously demanding advanced skills. General workers are using fewer manual skills since advanced machines at their disposal make increasing demands on their mental skills. Thus, in the modern production environment, requirements of the mental, mathematical and abstract skills is greater than that of manual skills. Employees seem to almost establish intellectual relationships with their machines.

Trend – 6

In the service sector, technical skill requirements are slowly reducing and being replaced by social skills including interpersonal, communication skills and so on. Soft skills to improve customer interfaces are of great value, since service is more at a modular than at a component level.

Trend – 7

The formal, centralized management practices of the past are slowly giving way to looser, more democratic and informal styles of management. This change is necessary because of the changing profile of people and of the work itself. Employees at all levels need to acquire broader skills and abilities in order to adjust to new technology and work organisations. Since organisations or educational institutions cannot teach every skill or technology, today's workers need to be intelligent, with broad conceptual skills so that they can acquire the right knowledge at the right time in an ever-changing world.

5.4 FLEXIBLE WORKFORCE

In the present dynamic business environment, the traditional concept of a specialized workforce trained to do one job well is fast fading. The traditional workforce came to an organisation with a skill set or learned a skill set and performed the same tasks over a long period, perhaps even for a lifetime. Restricted, narrow skills and specific job design was traditionally the most accepted for job structure. Employees were proud of the skills they possessed and unions resisted and change in job descriptions.

These rigid occupational demarcations of the past gave a tremendous sense of security to employees but put limits on the progress of their careers. Time bound promotions, primarily aimed at giving remuneration and social status, were the norm. Such promotions did not necessarily change the nature of the work and nor did they indicate the attainment of higher skills or good performance. They did, however, indicate seniority. Under such circumstances, any attempt of the management to introduce changes or induce flexibility in job design met with strong resistance.

In today's world of ever changing technologies and dynamic market conditions, a need for multiple tasking and several careers in one's lifetime is the differentiating factor between a successful and an unsuccessful enterprise. It is, therefore, imperative that planners attempt to create a culture that enables smooth technological and process transitions and makes an organisation flexible and adaptable. The need for continuous reorganization in order to meet changing business needs requires a flatter and less hierarchical structure. All these are possible only if the workforce is qualified, skilled, flexible and in a continuous learning mode. (These are pre-requisites not only for the organization's but even for the individual's survival).

For human resource planners this new environment poses new challenges. Instead of planning for specific jobs, they have to plan for broad job groups. Strategies for hiring, training and re-training the workforce should revolve around the broad-based skills required for a particular job group, rather than around specific occupations. Job descriptions and performance measures have to be reviewed and revised on a regular basis. In addition, the planner has to create a flexible, adaptive work culture that will provide opportunities and stimulate continuous learning.

5.5 BUILDING A CULTURE

Building the right organisation culture is the key concern of a human resource planner. Some of the cultural imperatives in today's environment are:

l Flexibility and adaptability of both the enterprise as well as the individuals working for it.

l Global perspective.

l Obsession with quality.

l Customer orientation.

l People orientation, and

l Creation of a low cost, profitable operation.

Culture is really a way of life for an organisation. It is the sum total of the beliefs, values and objectives of an enterprise which are manifested through its behaviour. In today's turbulent environment, the anchors that an enterprise has are:

l Corporate vision.

l Basic beliefs and values.

l Continuous training and development.

l   Respect for people.

l   Customer centric orientation.

A strong culture, which is well internalized by employees and reflected through the processes and systems, leads to the formation of a truly flexible workforce because the need to have detailed rules and regulations diminished. A handful of guiding values provides clarity to employees and helps them know what they are supposed to do in most situations.

In the absence of a strong culture, employees stay on with an enterprise for the positions that they hold, the remuneration that they receive and the status that they enjoy. Any attempt to change this meets with tremendous resistance because the employee is working for only these reasons. This reduces the flexibility of the enterprise. Highly culture-driven organisations have employees who work for the enterprise because of the alignment of values, beliefs and objectives and an acceptance of all the related processes and systems. This makes the organisation flexible.

Long-term sustenance of a culture is possible only if it is aligned to the market place and is customer oriented. Coupled with this, a culture that respects individuals, and encourages creativity and teamwork is the one likely to stand the test of time.

One cannot attract and retain people only through the attractiveness of the Compensation and Benefits Plans. Attractive compensation plans coupled with challenging work and is satisfying work culture is a recipe for attraction and retention. It is here that the human resource planner has a major role to play, by inducing management to evolve a culture that supports all the human resource systems and leads the company to a competitive position in the marketplace.

5.6   PERFORMANCE APPRAISALS

For the human resource planning process to succeed, in any enterprise it is essential that an effective performance appraisal system be in position to support the various human resource systems.

A good performance appraisal system should focus on the developmental aspect of an individual, rather than the evaluation aspect. To this extent, delinking rewards with the appraisals is essential.

A good appraisal system should achieve the following:

l   Provide periodic constructive feedback to the employee on his/her areas of strengths and areas where improvement is possible.

l   Enable the manager and employee to jointly evolve and periodically review the development plans.

l   Should enable the drawing up of objectives in alignment with the company's policy, for forthcoming years.

l   Enable an employee to comfortably communicate his/her aspirations/ expectations/limitations to management and understand the company's plans and management's expectations of him/her.

One of the major reasons for the failure of appraisal systems is the linkage that exists between them and annual salary increases and other rewards. Such a linkage vitiates the healthy developmental climate that ought to be created during appraisal meetings and counseling sessions.

Another reason for the limited success of appraisals is because of the tendencies of managers to evaluate the potential of an employee rather than performance.

In a large number of enterprises appraisals are an annual feature with all employees evaluated in the course of a month. This drastically brings down the quality of appraisals. Imagine a manager having a span of control of 10 employees doing 10 appraisals in one month while doing his/her other duties also. Let us look at the reviewing manager who may have to not only do appraisals of his/her 8/10 direct reports but also to review appraisals of 50 to 100 employees who may report to his/her direct reports. Further, the quality of inputs that the Personnel Department can provide when confronted with a large number of appraisals almost simultaneously naturally deteriorates. To improve the quality of appraisals it is highly desirable to spread them throughout the year.

The appraisal system should necessarily be appraisable centered with feedback from:

l   Immediate supervisor,

l   Customers to whom appraisee caters,

l   Peers with whom the appraisee has to team up, and

l   Subordinates, who are led by the appraisee.

The absence of systematic feedback from any quarter will render the system ineffective, since appraisal systems are an important vehicle for career development, productivity improvement, rationalization of work, etc. which, are all integral parts of the human resource planning activities. Human resource planners have to continuously monitor the health of this vital system.

5.7   STAFFING

Staffing is another key area of focus for a human resource planner. Traditional focus, while staffing or hiring employees, used to be hiring the best possible people, based on their qualifications, experience and general backgrounds. In today's dynamic business climate, however, the focus should be on the following qualities:

l   The candidates must possess the knowledge and skills required to perform the job for which they are being hired.

l   Values and beliefs of the candidates should be in conformity with that of the organisation.

l   The candidate should have an open mind and should be adaptable.

l   Conceptual skills of a high level are important so that the employee is able to grasp and learn new processes and technologies with ease.

l   The employee should be in the learning mode. The concept of lifelong learning is extremely important in order to succeed in the competitive environment of modern days.

l   Aspirations and objectives of the employee should be such that they will not conflict with the organisation.

l   In transient organisations creativity is another aspect that the candidates must possess.

Employment of people who meet the requirements not only of today's job but also that of emergent jobs is extremely important.

In order that the enterprise is able to hire the right people, preparation of job descriptions and performance measures should be coupled with a listing of knowledge and competencies required for effective performance. The selectors should devise appropriate tests and direct the interviews in order to identify the qualities listed. The success of any HR planning process lies in giving adequate lead time to recruiters in selecting the right persons who will perform well.

5.8 COMPENSATION AND BENEFITS

With the increased mobility of labour and crossing of national borders, the need for a competitive compensation and benefits system is paramount. C&B plans should be oriented both to attracting as well as retaining key professionals and should be designed so as to provide considerable flexibility in organisational restructuring. Multiple grades, catering to various professions, occupations or trades, create impediments and reduce the ease of organisational restructuring. C&B plans, in today's scenario, have to be simple, with minimal classifications to meet broad skills levels. There should be adequate schemes and processes to enable the corporation to transfer people from one location to another and one job to another with ease. Incentives for easy mobility have to be built in.

Rewards should cater to one-time achievements and be short-term in nature rather than long-term salary increases. Since employees in a fast-changing scenario might not have the ability to sustain good performance over long durations, recognition should be in the form of improved assignments, jobs and higher visibility. C&B professional should design schemes that enable managers to provide rewards and recognition to good performers at the right time. Empowering managers by decentralizing the decision-making process is the 'key' in today's competitive scenario.

Concern over the rentention of employees was never so great in the past as it is today. Increasing labour mobility, a highly competitive labour market and virtual war between corporations to attract the right talents is forcing managements to design "Golden Handcuff" plans. These plans should not be of a very long-term duration again because of the question of the employee's ability to sustain his performance. A plan to retain an employee for four to five years, with the right vesting period is adequate. Through yearly administration of the schemes the handcuff can always be extended.

Another challenge that today's enterprises face is in the selling of C&B plans to employees. The concept of total compensation, benefits tailor made to meet the individual's needs and visibility of the total structure are the keys to success. The importance of fair play, equity and merit-linked rewards continue to be the foundations of any successful C&B plan.

In the perspective of a human resource planner the C&B plans become extremely critical as they have to cater to retention, attraction and flexibility that a human resource planner is continuously looking for.

5.9 DEALING WITH RELOCATIONS AND REDUNDANCIES

Some of the major problems that a human resource planner is confronted with are the issues related to the relocation of staff and dealing with redundancy in the work force. Redundancies occur due to either of the following:

1. Job getting abolished because of restructuring. These create surplus manpower that is redundant in the revised context of the business.

2. The changing profile of many jobs is as a result of technology changes, ultimately causing redundancy of employees, although the jobs themselves may not get abolished as such.

Relocation is not uncommon in the new competitive context, where business necessities often require an enterprise to relocate employees from one city to another. A large number of employees find it difficult to migrate due to various personal

reasons. Employees, unions and society at large have always opposed these critical factors in human resource planning. Governments have protected jobs or have made it difficult for employers to retrench/layoff through legislations. This situation is true of most under-developed/developing countries, wherein unemployment rates are high. As a result, the implementation of modern technologies and processes that result in a shrinkage of the workforce have always met with tremendous resistance.

In this complex situation, employers have to resort to various strategies to manage the problems of redundancies and relocations. Some strategies adopted by Indian businesses are listed as follows:

l   Employers have reconciled to the fact that they cannot downsize. Surplus workforce is carried over by the business.

l   Wide scale downsizing or even closure of operations, by offering attractive voluntary separation or voluntary retirement plans.

l   Outplacement programmes.

l   Investing in retraining the redundant work force, either with a view to absorbing them in the revised organisation structure or to outplace them.

l   Offering incentives and support to the redundant workforce to start their own enterprises, thus overcoming the problem of surplus labour. Such programmes include offering of financial assistance. In most such cases, employees take up distributorship of products or become suppliers of spare parts, stationery etc. to the origianal enterprise.

The degree of success in handling redundancies and relocation issues depends on the degree and quality of planning and the extent of communication that the management has established with the employees and unions. As soon as managements are seen to be sincere in their efforts to rehabilitate the redundant workforce, unions and employees usually provide cooperation. The important factors here are:

l   Communication.

l   Sincerity of efforts to rehabilitate.

l   Taking employees and unions into confidence on the reasons for such action.

l   Creating a win-win situation for all the parties.

l   Being open minded to negotiate/discuss.

l   Providing valid reasons for the downsizing.

5.10   HUMAN RESOURCE MEASURES AND AUDIT

In order that the human resource planning process is effective and relevant to the organisation, a system of periodic review in the form of an audit and the tracking of business fundamentals, in the form of measures of effective performance of critical systems and processes, is essential.

Before identification of the measures and system of audit, it is important to determine the scope and role of the human resource function. The basic management philosophies set the expectations from the human resource function in an enterprise. Exhibit 2 illustrates some fo the measures that can be used to evaluate the performance of the human resource department.

For periodic reviews and audits the following points are important:

1.   Alignment of the personnel department's objectives with the organisation's objectives, critical business issues and key success factors.

2. Existence of well documented key processes that cater to the needs of the organisation, especially the key issues. Such processes must have performance measures and improvement plans.

The auditors/reviewers may look at the following areas during the periodic audits/reviews:

l Does the department have vision, mission and value propositions and are these in alignment with the organisation's objectives and values?

l What are the success factors for achieving the departmental objectives and what are the action plans for these?

l Are the elements of the strategic focus, i.e. the mission, vision and value propositions oriented to meet customer needs?

l Are the key processes in the department identified? Are the process owners identified with the process performance measures?

l How is the department structured? Is the structure supportive of the key processes of the entity and the objectives of the departments?

l What strategies and practices are in place to determine the needs of the cutomers? What actions are taken to seek feedback, give feedback and to take corrective actions?

l How are future needs determined? What actions are taken to cater to the emerging needs?

l What strategies are in place to collect market information, competitive data, best practices from the environment, etc.? How are corrective actions initiated on the basis of such data?

l How does the department go about determining the short-term and long-term plans? How often is the progress reviewed? What are the course corrective strategies and contingency plans?

Is the depatment effective in its communication processes across the organisation? Do customers of the department feel involved in the department's activities and plans? Does the entity management provide resources and commitment to the human resource department's activities?

Exhibit 2: Personnel Measures

Some examples of measures and business fundamental that can be used to assess the performance of the personnel function:

1. *Selection and Recruitment:*

(a) Acceptance rates of professional hires

(b) Recruitment cost

(c) Lead time to hire

(d) Percentage of hires from the internal data bank

(e) Performance levels of new hires

(f) Retention rate of new hires

2. *Succession and Career Planning:*

(a) Number of qualified backups for each key job

(b) Ratio of internal placements to external hires

(c) Internal relocation cost

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3. *Training and Development:*

(a) Training days per employee

(b) Cost of training per employee

(c) Training effectiveness – Relevance   –   Relevance

         –   Timeliness

         –   Application/applicability

4. *General:*

(a) Employee satisfaction survey rating

(b) Compliances with performance appraisal process

(c) Achievements in affirmative action goals

(d) Span of control

(e) Employee turnover analysis   –   by department

         –   by performance levels

         –   by age group etc.

(f) Ratios of revenue to employees

     Ratios of profits to employees

     Ratios of output to employees

(g) Availability of well defined job descriptions

From among the various issues that need to be reviewed, critical ones will be the following:

1. Effectiveness and cost of C&B plans, its competitiveness, packaging and employee acceptance. System of periodic reviews and revisions. Question of equity and fair play.

2. Training and development activities, their relevance, timeliness and effectiveness.

3. Employee attitude survey, corrective action plans, periodicity of the surveys, their relevance, etc.

4. Hiring processes, their cost, quality of hires, etc.

5. Frequency, effectiveness and relevance of the two-way communication processes.

6. Grievance handling systems, etc.

An effective audit and performance measure tracking system will ensure not only that the human resosurce plans are successfully implemented but also they are relevant.

5.11 TRENDS IN THE LABOUR SUPPLY

Within the population of a country, people above a certain age are considered to be in the labour force. Of these, a certain number are in employment, the balance being unemployed. The age at which people are considered to be active in the labour force varies from country to country. The proportion of the number of people in the labour force to the total number that are eligible to be in the labour force also therefore varies from country to country. A variety of factors influence the labour force participation of the people. Some of these are demographic factors while the others relate to economic and social conditions which fluctuate ever so often in many countries.

Changes in the Composition of the Population

Are you comfortable with the fact that labour supply of a country can significantly vary with demographic changes taking place over a period of time? For instance, a

decline in the birth rate of a population means that, as these age cohorts reach the age of being considered part of the labour force, the number of young entrants into the labour market will decrease. Therefore, the labour force participation rate depends to some extent on the demographic composition of the population at any given time. When HR planners look at these data, the past labour force data too are important as the behaviour of the labour force reveals certain trends that allow planners and policy makers to make projections. For most countries, participation rate for men is higher than for women and people between the ages of 25 and 54 participate at higher rates than those younger and older. As mentioned above, significant changes in population policies may lead to increase or decrease in the birth rate and that will have an influence on the participation rates.

Subgroup Participation Changes

With increased levels of literacy and policies ensuring of equal employment opportunities, more women are coming into the labour market thus signalling a marked change in the participation rates. There have also been changes in participation rates of various age cohorts. In many developing countries a large number of young people seek employment and this number has been on the increase. Similarly, in many countries where there was a decline in birth rates during the 70s and early 80s, their labour force will be ageing (e.g., Japan and the Peoples Republic of China).

Labour Force Quality

Examine the labour statistics of your country. You will notice that over a span of twenty years, participation rates of different age groups in the labour market have changed considerably.

Level of Education

With increased educational opportunities, there have been great strides in the educational attainments of those entering the labour market. More high school and university graduates are entering the labour market. This has an impact on those who are holding certain jobs. As the educational attainments of those who enter the labour market increase, those having lower levels of education and already holding jobs in the labour market will be vulnerable.

Women in the Labour Force

In recent years, there has been a substantial increase in the participation rates of women in the labour market. If you examine your country's labour force statistics for the past two decades (1980s and 90s) this will be evident. In general, the number of married women in the labour force also has increased. Equal employment opportunities and more access to education have been two reasons adduced for increased participation of women in the labour force.

The Older Employee

In order to protect the older worker, countries like the United States have adopted age discrimination legislation that defines an older employee as one between the ages of 40 and 65. In the US, approximately about 23 per cent of the labour force currently is in this category. The portion of the labour force is protected because some employers hold negative stereotypes about older workers.

Therefore, employers may find it difficult to accommodate older employees, firstly because of such negative stereotyping but also because more qualified younger persons are available in the labour market. Another reason for employers' negative attitudes towards older employees is the assumption that because the employee is older he is less qualified and less able to adapt.

Handicapped Workers in the Labour Force

There are increasing numbers of employees coming into the labour market with various physical disabilities. You would observe that employers today are more accommodating than they were a decade or two ago, in employing handicapped persons. This is partly due to the legislation mooted byUN and affiliated agencies to afford some relief to the handicapped in the labour market. Many governments have passed legislation providing a definite percentage of employment opportunities to the disabled and handicapped. The entry of handicapped persons into the labour market has seen substantial changes in the facilities that the employers have had to provide to their work forces.

Even with legislation providing for such employment, many handicapped persons have had great difficulty finding employment of any kind because employers and fellow workers believe that they could not do the job or would cause an excessive number of accidents. Also, as mentioned earlier, employers fear that it will be costly to employ handicapped workers because infrastructure requirements, such as layout changes, special work-stations, ramps to replace or in addition to stairs, provision of special toilets and other such special facilities entail high direct costs, and higher rates of compensation and insurance.

Have you ever observed people using their faculties to do a particular job? It would have been quite evident to you that few people use all their faculties on a job. Many jobs can be found for those who do not possess all their faculties. In two thorny issues that concern employers, namely, absenteeism and turnover, employers could take consolation that for handicapped they are normally lower. This may be adduced to two reasons: the handicapped have had their abilities matched to their jobs better, and most handicapped workers seem better adjusted to working, with more favourable attitudes toward work, and thus are better motivated to do a good job.

As you will agree, some handicapped persons are physically or psychologically unable to undertake any form of work. Some are marginally employable and they can work in light jobs without much stress and strain. However, for those able to work, it is most important that you treat them as you would treat other workers. In the case of most handicapped, they will respond better to fair treatment than to paternalism. All they want is an opportunity.

We must start perceiving handicapped workers as an asset rather than a libaility. It is in the interest of your country's economy that you should perceive them so because then you would be able to transform them from being a nation's liabilities to assets. In general, it is also important to the affected individuals to be able to attain employment and thus attain economic and psychological independence.

Part-time and Full-time Time Work

Part-time work has increased during the 1980s. Usually, a part-time worker is a person who works less than the normal rate of 40 hours a week (or whatever the country's norm is). To understand well the notion of part-time work, you have to draw a distinction between *voluntary* and *involuntary* part-time employees. A person who is working part-time because he/she cannot get full-time employment is voluntarily a part-time employee for whom the position means something different than to a co-worker who wished for a part-time assignment.

The major groups of part-time workers are:

1   **Women**: Traditionally, with the responsibilities of running homes and child rearing, more women have preferred to work part-time. Furthermore, some experts have found that more husbands would rather have their wives work part-time than full-time.

ι **Student**: In developed countries such as the US and UK, a large number of students between the ages 18–24 enrolled in higher education institutions work part-time. In the US, on the average students work 20 hours a week.

ι **Retired and older persons**: In order to keep active and to supplement any retirement income or social security payments, a number of older citizens work part-time. Most of these persons are highly skilled and could serve as training resources to new recruits.

ι **Persons with a physical or mental disability**: Part-time work is often more suited for handicapped and disabled persons. In some specific disabilities, only part-time work enables individuals to work without aggravating their disabilities.

While most part-time work is in the service industries, there are also numerous opportunities in the retail and wholesale trades and in manufacturing.

In a great number of circumstances, there are many advantages in part-time work for employees, such as flexibility in scheduling, ability to spend more time with their families, additional compensation and stabilization of employment. However, for employers, there are also certain disadvantages, such as part-time work requiring additional training and record keeping expenses, lack of protection from trade unions etc. Trade unions sometimes oppose the use of part-timers, viewing them as robbing work opportunities from additional full-timers who would become their members.

5.12   TRENDS IN LABOUR DEMAND

It is the consumer that determines the demand for labour in any industry. The labour is employed to produce either goods or services. From time to time consumers change their preferences, and the volume of demand for particular products and services also changes, directly affecting the demand for labour.

For you to understand this phenomenon well, take the case of robots or programmable mechanised systems in manufacturing. The cost of robots over a period time has become affordable and some of the manual work in many industries is now being handled by such equipment, for example, welding, painting and other assembly operations in automobile maufacturing. This has had a profound effect on the demand for labour in the new plants in certain industries.

Implications for Personnel/HR Activities

If you are engaged in personnel or HR activities in your organisation you would realise that major trends in the supply and demand of labour concern you. The reason should be clear to you. However, let me explain it further. When there are changes in the supply and/or demand, there are opportunities as well as potential problems. In many countries, low birth rates are causing concern among HR professionals. There will be a death of young persons in the labour market. At the same time, high levels of education raise the expectations of people. As a result, certain categories of labour, such as non-skilled manual workers, would be in short supply. The HR personnel are called upon to find solutions to problems of this nature. As you have seen earlier in this lesson, there are many factors influencing the nature of the labour market and HR personnel will have to be vigilant to address some of the emerging issues.

Succession Planning

What really do you understand by this term? It is basically a plan for identifying who is currently in post and who is available and qualified to take over in the event of retirement, voluntary leaving, dismissal or sickness. A typical succession chart includes details of key management references to their possible successors.

Succession planning is a strategic activity in an organisation. As such it should be managed not as a year round activity but as a year round guide. It is unreasonable to expect that when a key position opens, it will be filled by the chosen successor and things will proceed from there. A succession plan, like all other plans, is simply a plan. Let us go back to the basics to understand the rationale behind plans. A plan is a set of intentions based on a set of assumptions at a given time. Over time, both the assumptions and the intentions may change, given new information. In organisations today, actual succession decisions are made as the need arises based on the latest information that includes, but is not limited to, the succession plan. Succession planning should provide a framework in which to make everyday decisions it should not provide the absolute decisions. With this understanding managers should redefine their expectations of succession planning and conceive of it as a strategy.

Activity A

As a HRD manager how you deal with relocation and redundancies on account of technological changes in a company?

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Activity B

Do you think that there is any change in the trends of demand and supply? If so, list out the major changes that took place in organisations.

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Assessment Centres

When job vacancies are anticipated, several policy decisions must be made. A basic one involves the relevant candidate pool. We could limit our discussion to those already in the organisation, meaning we will only discuss filling the anticipated vacancy from among internal candidates.

Assessment centres provide a means of systematically gathering and processing information concerning the promotability (as well as the development needs) of employees. Such centres provide a more comprehensive approach to selection, incorporating a range of assessment techniques. Some of the salient features of assessment centres are as follows:

l   Those assessed are usually lower to middle level managers.

l   Multiple predictors are used, at least some of which are work samples (for example, in-baskets, leaderless group discussions).

l   The focus of the assessment centre is on behaviour.

l   Exercises are used to capture and simulate the key dimensions of the job. These include one-to-one role-plays and group exercises. The assumption here is that performance in these simulations predicts behaviour on the job.

l   Assessments are made off-side to ensure standarised conditions.

l   A number of people (raters) are used to assess or rate the candidates. They are carefully trained and their ratings are made using standarised formats. Using multiple raters increases the objectivity of assessments.

l   Raters must reach consensus on those being assessed wherever possible.

l   Final reports may be used to make decisions about both internal selection and employee development, although assessment centre results are rarely the only input in either area.

l   Assessment centres are costly to run, but the benefits have the potential to outweight these costs by a substantial margin.

Considerable research has been conducted to determine the reliability, validity, and fairness of the assessment centres (unlike other promotion predictors). Most has been supportive, inter-rater reliability is generally high, as have been the validity coefficients.

Although the costs of running assessment centre are high, they can provide real benefits, indicating the extent to which candidates match the culture of the organisation. Assessment centres are most appropriate when candidates who are being considered for jobs with complex competence profiles. A well-operated centre can achieve a better forecast of future performance and progress than judgements made by line or even personnel managers in the normal, unskilled way.

Employee Replacement Chart

In an employee replacement chart, the basic information provided is a hierarchical representation of the positions within an organisation and the names of their current holders. Also indicated are those who are candidates for promotion to each position. Present performance is indicated along with the age of each person and through a coding system each employee's promotion potential is also indicated.

5.13   SUMMARY

In a traditional sense, staffing planning attempted to reconcile an organisation's need for human resources with the available supply of labour in the local and national labour market. In many organisations, specialist units within personnel departments may be established to concentrate exclusively on staffing planning. In the current pursuit of HRM, many organisations appear to be replacing staffing planning with employment planning, the personnel process that attempts to provide adequate human resources to achieve future organisational objectives.

All organisations perform HR or employment planning, informally or formally. The major reasons for formal HR planning are to achieve more satisfied and more developed employees and more effective equal employment opportunity planning.

HRM theory recognises that the HR department should be an integral part and member of the business strategy-making body. As time passes, working environment changes internally as well as externally. HR plans depend heavily on forecasts, expectations, and anticipation of future events. Planning involves developing alternatives and contingency plans.

A number of factors will influence what is required of forecasting to assure satisfactory future staffing. Planners have a choice of employment forecasting techniques of different levels of sophistication to focus on both the inernal considerations and the external factors that influence the final outcome of the staffing plan. However, only a few organisations practice the most theoretical and statistically sophisticated techniques for planning, forecasting and tracking of employees.

In staffing planning, the manager is concerned with the numerical elements of forecasting, supply-demand matching and control. HR planning is defined as a long-term, strategic planning of human resources concerned more with the development of

skill, quality and culture change than statistical numerical forecasting, succession planning and hierarchical structure. The term labour market refers to the large number of changing influences and activities involving labour demand and supply, which, themselves greatly depend on economic conditions. From the organisation's point of view, the numbers and types of employees needed during a given period reflect the relative demand for labour. The age at which people are considered to be active in the labour force varies from country to country. A variety of factors influence the labour force participation of the people.

Part-time work has increased for decades. To understand well the notion of parti-time work, we have to draw a distinction between voluntary and involuntary part-time employees.

If you are engaged in personnel or HR activities in your organisation you would realise that major trends in the supply and demand of labour concern you. Succession planning is a strategic activity in an organisation. A succession plan, like all other plans, can change as its determinants change. Many companies are now engaged in comprehensive career management programmes comprising the three major components: planning, development and counselling. A typical career planning involves four major steps. Career development is the process through the action plans are determined. Career development, therefore, is of significance for both individual and organisation and for human resource development.

5.14   SELF-ASSESSMENT QUESTIONS

1)   Explain the various human resource systems supported through performance appraisal systems in organisations.

2)   Explain the transformational process through social, economic, organisational and technological changes at workplace.

3)   Discuss the role of human resource measures and audit in HRP system.

5.15   FURTHER READINGS

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