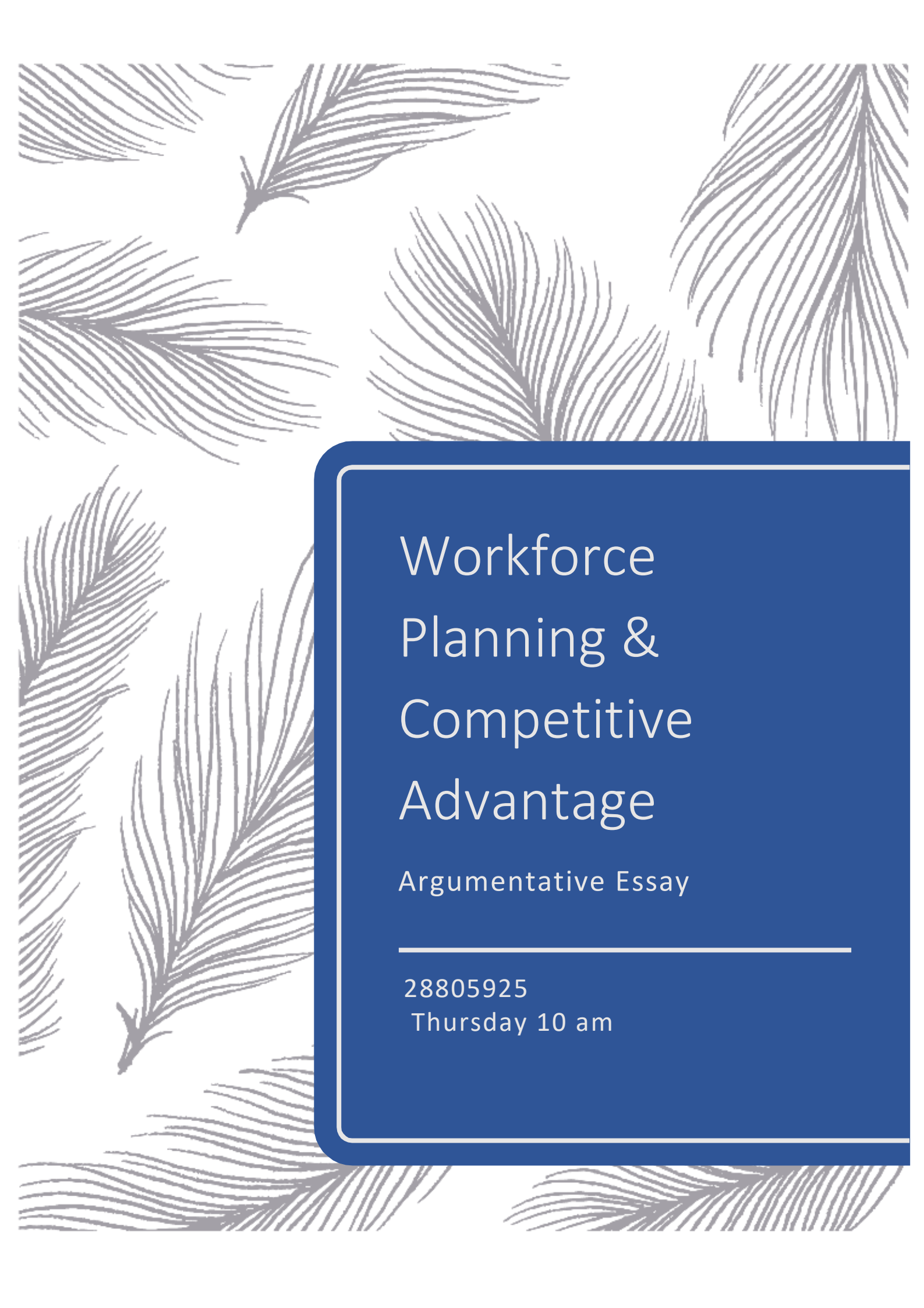




Workforce Planning & Competitive Advantage

Argumentative Essay

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“Goals can only be reached through the vehicle of a plan. There is no other route to success.”

Organisational success can be only achieved when each and every action and resources is dedicated to achieving the company’s vision (Martin, 2015). In a traditional organisation, multilayered strategies were developed to maximise profits but were not concerned about the development and wellbeing of the employees. Despite rapid advancements in disruptive technology, the most significant asset of organisations has remained unchanged: the workforce. Over time, corporations are slowly understanding the importance of the workforce for organisational success. Therefore, the concept of workforce planning has gained traction over the past decades where effective planning could provide organisations with significant competitive advantage. Workforce planning can be defined as the process of determining the quantitative strength of the workforce and the skills required for optimal operation. Furthermore, workforce planning increases organisational efficiency which is essential in the execution of the strategic plan to minimize resource consumption. Optimal organisational effectiveness is proportional to the success of an organisation (Alpander, 1980). This essay will cover the topic of workforce planning and how it leads to organisations gaining competitive advantage. The use of workforce planning leads to optimising the wellbeing of employees which leads to satisfied employees. This process enables the organisations to forecast and determine the HR needs and identify the gaps in the current organisational structure. This essay also covers the downfalls of workforce planning and its negative impacts on organisational performance and suggests possible solutions to combat these issues.

Employee wellbeing is one of the hallmarks of effective workforce planning as this can maximise employee efficiency. One study demonstrated that engaged employees were more likely to perform better in their role and take initiative in further responsibilities in the

development of the organisation (Reijseger, Peeters, Taris & Schaufeli, 2016). Workforce planning keeps employees motivated to upskill and trust the culture of the organisation in terms of their career development. Taris & Schreurs (2009) conducted a study of 66 Dutch home care organisations to determine the relationship between satisfaction of employees, emotional exhaustion and organisational performance. Whilst more evidence was required to establish a certain link between job satisfaction and organisational performance, there was a high correlation between emotional exhaustion and low organisational performance. It can be concluded that it is important for organisations to invest actively in the wellbeing of their most important asset, employees. These investments will lead to long term immeasurable profits which cannot be measured monetarily. Taris and Schreurs (2009) highlight that improving the satisfaction of a single employee individual can have an organisation wide impact, which could lead to “positive consequences for organisations and their clients”. Innate exhibition of lack of motivation can occur when employees are given repetitive, mundane tasks and often act as a “safety valve that prevent workers from depleting their energy” (Schaufeli & Taris, 2009). Therefore, religiously implementing workforce planning will assist organisations to proactively minimise lack of motivation, emotional exhaustion and staff turnover. Workforce planning enables organisations to build a long lasting and healthy culture that embraces each and every individual by providing them with a sense of ownership of the organisation. Therefore, giving the organisation competitive advantage.

Workforce planning enables the HR managers to combat talent shortages through thorough analysing of the business cycles, effective use of existing talent and creation of new talent pools. This gives the organisations and its managers the opportunity to be “proactive” rather than “reactive” (Pittman & Scully-Russ, 2016). John Sullivan suggests that workforce planning is crucial and one of the most sought-after topics in the human resources field. Succession

planning is a process that requires picking the “high performing candidates to fill senior management positions” (Sharma & Sengupta, 2017). The purpose of succession planning is to ensure that the organisations have a sufficient supply of key leaders in order to effectively manage the operational needs. Greer & Virick (2008) document the interviews and comments from twenty-seven human resource professionals from a variety of industries. The study discusses the current HR practices and procedures and how it fails to address existing bias in the workforce. Inclusion of gender and “racial diversity” (Greer & Virick, 2008) in relation to succession planning is likely to “facilitate better talent identification”, therefore enabling the organisations to outperform their competitors. Most organisations conduct succession planning as part of employee management, however very few organisations realise the importance of incorporating gender equality and diversity in the process. Organisations are often faced with challenges in terms of “developing a continuous flow of functional leaders” (Sharma & Sengupta, 2017) who are to function effectively in various contexts. In addition to that, Veolia, an organisation that delivers solutions to problems regarding waste management, water, sustainable performance. Veolia “turns waste into energy and wastewater into new water supplies” (Veolia, 2020). Veolia conducted workforce planning and determined close to 50% of talent gaps, hence, it was critical for Veolia to conduct immediate succession planning. At present at Veolia, each key position has been part of the succession planning and has been allocated a successor for, who will have a mentor to train not only the skills required for the role but to build the attitude and to learn the nuances of the position. Therefore, succession planning is directly related to good corporate performance and provides corporations competitive advantage (Sharma & Sengupta, 2017).

Workforce planning allows managers to anticipate change in the business environments rather than being surprised (Hornstein, 2015). Disruptive technologies are invading and ruling

the business world. For organisations to maintain their competitive advantage they are required to have a workforce that can easily adapt to new technologies. Chapman & Needham (2010) expose that often the hardest part about managing changes is “getting people to change and get other people to follow”. Organisation cannot bare the consequences of “unfit, unwell and unproductive people” (Occupational Health, 2014), it is crucial that the recruitment process is well structured and detailed so that the organisation does not need to suffer in the long term. When the right people are hired with the right skills, the management of the change process is much smoother (Hornstein, 2015). By conducting the workforce planning organisation will be able to manage the employees time as efficiently as possible (Chapman & Needham, 2010). Workforce planning drives the change in the structure of the organisation as well as the behaviour and thinking of employees. Without a process, managing the largest asset of the organisation is close to impossible (Okabe, 2012). Veolia was able to adopt the changes of the disruptive technologies due to its proactive ability to incorporate workforce planning as part of its organisation (Veolia, 2020). This proves that workforce planning is crucial for organisations to proactively anticipate and manage change in the face of disruptive technologies. Therefore, by conducting the workforce planning organisations will be able to manage change better, which leads to organisations gaining competitive edge (Zhu & Sherali, 2009).

However, despite the benefits of workforce planning, there are negative consequences from this process as well. Although the importance of workforce planning has been illustrated in several reports, there are no well-developed tools or guidelines for its implementation. The development of workforce planning is an innovation aimed at involving proactiveness in the operations of the business. However, for some organisations, developing a workforce plan means adhering to it regardless of the deviation from the forecasted conditions of the workforce. The business environments are dynamic in nature, which means that the

organisations that are able to adapt to change will be in a position to gain competitive advantage. Secondly, the cycle of human resources is expected to be fluctuating depending upon the stage of the economy. Unlike tangible inventory which can be kept at sufficient fixed levels, human resources could lead to “over-hiring” caused by the economic cycle. The solution to this issue, which is to make the unnecessary employees redundant, could cause severe damage to the morale of the employees (Pittman & Scully-Russ, 2016).

The advantages of workforce planning overwhelm the negatives. Workforce planning will enable organisations to improve the wellbeing and satisfaction of its employees. It will enable the organisation to combat talent shortages while addressing any gaps or issues. In addition, workforce planning assists in change management, as it enables the organisation to be proactive in its operations and flexible to adapt change. If each and every organisation effectively uses workforce planning, there will be a significant reduction in lapse of efficiency. Academic research has proved that workforce planning and talent management are critical factors for the development and growth of organisations (Martin, 2015). Therefore, giving the organisations that incorporate workforce planning a competitive advantage over other corporations.

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