Link HR planning to organisational goals

Overview
What's the difference between strategic and operational plans? How can you identify the HR implications of these plans? How can the HR manager stay "in the loop"? This learning resource will answer these questions, and help you understand why Human Resource Planning (HRP) should be integrated into an organisation's overall planning process. You will also get some practical tips on consultation with line managers.

We will provide examples of the implications of corporate strategies in HR areas such as:

- performance management
- industrial relations
- remunerations management
- recruitment and selection
- work/life programs.

Key terms

**HRP**
Human resource planning; an analysis of existing and future staffing needs.

**Operational plan**
A plan designed to meet the short-term goals of the organisation, usually a sub-set of a strategic plan.

**Policy**
A broad statement of intent that provides a framework in which staff should operate and act.
Strategic plan
Plan designed to meet the broad, long-term goals of an organisation.

The role of HR

HR managers play an important role in the strategic planning process. In the past senior managers have been less willing to consider Human Resource Planning (HRP) as part of the strategic planning process, but given the changing marketplace in which many organisations now find themselves the benefits of HRP far outweigh the drawbacks.

It is not just the responsibility of the HR manager to prepare a program for HRP. Most line managers observe daily the performance of their staff and as such should be encouraged to provide input into future HRP.

HRP can assist in:

- forecasting future needs
- analysing current staff and skills
- developing sound HR policies and procedures to take into account future organisational development
- reviewing current and future staffing resources against objectives

Change within an organisation is constant and human resource planning plays a pivotal role in ensuring organisations are well-equipped with staff who have the necessary skill base and knowledge to maintain a competitive advantage.

What are strategic plans?

Strategic decision-making (or planning) rests with the senior management within an organisation and generally has the following characteristics:

- usually covers broad business ideas
- likely to affect the long-term operation of an organisation
- some degree of uncertainty attached to the outcome
- may have future resource implications
- will affect operational activities.

In order for senior management to effectively plan strategically they need to be aware of both their external and internal environment:

- externally, they need to be aware of their environment and the market within which they operate
• internally, the extent to which change may be required in order to achieve goals.

Example: Strategic directions

The following are the vision, mission and corporate goals for a case study company, STAR Industries, a manufacturer and seller of building supplies.

Our vision

STAR products will be the first choice for customers, designers and architects building high quality homes and commercial premises.

Our mission

To be the leading quality supplier of door and window product in Australia by providing our customers with innovative goods and services which anticipate and fully satisfy their requirements.

Our goals

Customers

To fully understand and exceed our customers’ needs and deliver superior customer service.

People

To attract and keep innovative, customer-focused employees who can support our expanding business, and reward performance fairly and equitably.

Manufacturing

To use best-in-class door and window manufacturing techniques to maximise the quality of all of our product.

Design

To develop and maintain a product range which reflects modern architectural designs, colours and materials.

Operations

To achieve best-in-class warehousing, ordering, and distribution practices across our whole operation.

Research

Find strategic plans in your organisation. These might be at the broad organisation level, or they may be strategic plans for specific areas. List them here.
Does your organisation have a vision and a mission statement? If so, write them here.

**HR implications of strategic plans**

Analysing strategic plans as they relate to the HR function is the role of the HR manager and forms part of HRP. Listed below are some examples of strategic plans and suggested areas for consideration by the HR Manager.

**Table 1: Strategic plans and considerations for HRP (2 cols)**

<table>
<thead>
<tr>
<th>Strategic plan/objective</th>
<th>Considerations for HRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>Move from centralised to decentralised services</td>
<td>• How will re-location of staff be managed?</td>
</tr>
<tr>
<td></td>
<td>• Are adequate processes in place to manage separation/termination?</td>
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<tr>
<td></td>
<td>• How will new/replacement staff be recruited?</td>
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<td></td>
<td>• Travel arrangements for existing staff</td>
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<td>• Will there be changes to contracts of employment?</td>
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<td>• Are processes in place to deal with grievance issues</td>
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<td></td>
<td>• Potential for increase in staff absences</td>
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<td></td>
<td>• What are the EEO implications of move to areas with different demographics</td>
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<td></td>
<td>• What new methods of communication for staff in outlying areas will be needed?</td>
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<td></td>
<td>• How will you handle the process of change management?</td>
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<tr>
<td>Acquire smaller companies</td>
<td>• What type of staff will be required – admin/technical?</td>
</tr>
<tr>
<td></td>
<td>• How will you deal with separation/termination/redeployment?</td>
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<tr>
<td></td>
<td>• Induction program for staff being recruited from existing company</td>
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<tr>
<td>Increase sales via the Internet and move away from shop front sales</td>
<td>• Re-training of existing staff/staff development</td>
</tr>
<tr>
<td></td>
<td>• Re-location and redeployment of existing</td>
</tr>
</tbody>
</table>
| Staff | • Retrenchment and redundancy  
| • Fear of technology/change management  
| • Reduction in staff/customer interface may lead to low staff morale |
| Downsize production facility | • Will staff counselling be needed?  
| • Are adequate processes in place for retrenchment and redundancy?  
| • Possible grievance issues; develop clear procedures for resolving grievances  
| • Potential for increase in staff absences  
| • Need to be up-to-date with current legislation regarding separation/termination  
| • Are processes in place for redeployment? |
| Reduce staff turnover by 30% | • Are remunerations and benefits adequate?  
| • Could employee performance management be improved?  
| • Are exit interviews being conducted to gather information on why employees are leaving?  
| • Is the HRMIS giving sufficient information about why staff are leaving?  
| • What existing HR policies and processes need review?  
| • Is turnover related to OH&S problems? Polices and procedures may need review.  
| • Is training/staff development adequate?  
| • Are work/life programs available to employees as an incentive to stay? |
Think

Go back to the strategic plans and/or mission statement that you found for your organisation. What could be some considerations for HR planning?

What are operational plans?

Operational plans generally affect the day-to-day running of the business and involve short-term measurable outcomes. Operational plans are generated with reference to strategic plans and are implemented by supervisors or junior managers.

Operational issues may include:

- Staff numbers
- Work patterns, full-time/part time/casual
- Use of temps and sub-contractors
- Recruitment costs
- Job redundancy
- Emergence of new jobs/careers
- Turnover records of jobs/areas
- Changing skills mix/demands
- Agreements of varying kinds with organisations and individuals, including AWA’s
- Marketplace competition for labour
- New emerging patterns in reward systems

Operational plans are vital to the success of an organisation as they allow employees the opportunity to provide valuable input into the direction of the organisation about working operations/procedures that affect them.

For example, if we consider the strategic objective listed above, ‘move from centralised to decentralised services’ the operational plan for the Property Services Function, and the related operational plan for the HR function might include these things:

Table 2: Operational plans and considerations for HRP (4 cols)

<table>
<thead>
<tr>
<th>Strategic plan/objective</th>
<th>Considerations for the HR function</th>
<th>Operational plan for the Property Services function</th>
<th>Operational plan for HR function</th>
</tr>
</thead>
<tbody>
<tr>
<td>Move from centralised to decentralised services</td>
<td>Re-location of staff</td>
<td>Employ 5 temporary Property Assistants for 3 months, to be employed 2 months prior to the move</td>
<td>Establish working groups to consider specific needs eg training, recruitment &amp; selection</td>
</tr>
<tr>
<td></td>
<td>Need to recruit more staff /how best to recruit staff</td>
<td>Contractor to install furniture and equipment in new locations</td>
<td>Implement a series of staff consultation events</td>
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<td></td>
<td>Travel arrangements for existing staff</td>
<td>Develop schedule for relocation of staff</td>
<td>Introduce an independent Change Facilitator</td>
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<tr>
<td></td>
<td>Changes to contracts of employment</td>
<td>Property Assistants to provide on-site support for staff during packing, unpacking</td>
<td>Up-date staff via monthly newsletter</td>
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<tr>
<td></td>
<td>Possible grievance issues</td>
<td>Inform staff of emergency evacuation procedures and fire wardens for new locations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Potential for increase in staff absences</td>
<td>Liaise with removalist contractor during moves to new locations</td>
<td></td>
</tr>
<tr>
<td></td>
<td>EEO</td>
<td>Establish working groups to consider specific needs eg training, recruitment &amp; selection</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Improved methods of communication for staff in outlying areas</td>
<td>Implement a series of staff consultation events</td>
<td></td>
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<tr>
<td></td>
<td>Fear of change</td>
<td>Introduce an independent Change Facilitator</td>
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<tr>
<td></td>
<td>Instigate a Change Management Program</td>
<td>Up-date staff via monthly newsletter</td>
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</table>
What about organisational policies?

Most organisations present their policies to employees in written format. It is usual for employees to be given the opportunity to comment on a policy before it is ratified by senior management. Policies should be forward thinking and inform staff about the action they should take in given situations. Policies are generally discussed by working groups/committees representative of interested groups. The HR function will be the lead area responsible for developing policies on, for example:

- recruitment and selection of staff
- sexual harassment
- health and safety
- equal opportunities
- staff development.

Listed below are some examples of organisational policies and suggested areas for consideration by the HR Manager.

Table 3: Organisational policies and considerations for HRP (2 cols)

<table>
<thead>
<tr>
<th>Organisational policy</th>
<th>Considerations for HRP</th>
</tr>
</thead>
<tbody>
<tr>
<td>All incoming calls will be answered within 5 seconds</td>
<td>Training/staff development programs</td>
</tr>
<tr>
<td></td>
<td>Customer service orientation as requirement during recruitment for all positions;</td>
</tr>
<tr>
<td></td>
<td>possible consideration of psychometric testing for this</td>
</tr>
<tr>
<td>We will develop and promote technologies that support innovative and cost effective</td>
<td>Fear of technology/change; implement a Change Management Program</td>
</tr>
<tr>
<td>work practices</td>
<td>Recruitment of staff with required technology and strategic skills; where best to</td>
</tr>
<tr>
<td></td>
<td>source these staff?</td>
</tr>
<tr>
<td>All product in-stock will be despatched from the warehouse within 4 working hours of</td>
<td>Training of existing staff</td>
</tr>
<tr>
<td>the order being placed</td>
<td>Possible use of productivity work tests for applicants during the recruitment</td>
</tr>
<tr>
<td></td>
<td>process</td>
</tr>
<tr>
<td></td>
<td>Prompt resolution of industrial issues</td>
</tr>
<tr>
<td>Employees have the right to a workplace that is free of physical and psychological</td>
<td>Training/staff development programs</td>
</tr>
<tr>
<td>harassment and intimidation</td>
<td>Staff counselling program</td>
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<tr>
<td></td>
<td>Develop clear procedures for resolving grievances</td>
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</tbody>
</table>
Consult with line managers

Line managers are close to the core business of the organisation and the HR Manager needs to consult regularly with them to:

- understand the issues behind strategic and operational plans, and
- ensure that HR Planning is integrated into the strategic planning process of the organisation and is not something that is addressed after plans are set.

A range of consultation strategies may be used, from informal to formal, including surveys, focus groups, committees, conversations, emails and attending operational meetings.

Think

This learning resource also has an interview with an HR manager who talks about consultation strategies. **What consultation strategies would work for you, and in your organisation?**