
Effects of Workforce Planning on Organizational Performance

A study of selected media houses in Imo state

Ikechukwu Dialoke (PhD) & Duru Maxwell Ifeanyichukwu
Department of Industrial Relations & Personnel Management
College of Management Sciences
Michael Okpara University of Agriculture, Umudike, Nigeria.
Maxiduru0@gmail.com

Abstract

Research design adopted for this study is a cross-sectional survey. Target population is media houses operating in Imo State. Accessible population is two radio stations and one television stations situated at Owerri the capital of Imo State. 100 staffs constitute the sample frame. Sample size for the study is 80. After distributing the questionnaire only 65 were completely filled and returned. Spearman's Rank Order Correlation Coefficient is used for data analysis. Statistical Package for Social Sciences (SPSS) was used to execute the data analysis. From the test results, the study found that workforce planning is significantly associated with organisational performance. This means that effective workforce supply and workforce demand will enhance organisational performance. The study concluded that workforce planning as a human resource management function measured in terms of workforce supply and workforce demand has the capability of improving the performance of media houses in Imo State. The study recommended that human resource managers in the media houses should ensure that the right skill, right number of human capital needed in the workplace corresponds with their demands.

Introduction

Human resource personnel are saddled with several responsibilities especially in this era of information and communication technology. There is a rapid change in the way human resource personnel uses to ascertain the exact number of workforce that are required to assist managers achieve organisational goals. Over the years the way and manner human resource manager's plan for its workforce determines the extent the organization will perform. In other words, it is better to get it right during the planning stage to avoid laying-off of innocent workers that have found their way to a strange land called organization.

From the human resource perspectives, workforce planning begins with organisational needs assessment which examines the number, skilled, quality and qualification of people to be absorbed into the workplace for optimum productivity, effectiveness and efficiency. When this is done, the organization now opens its doors to the outside world to welcome both qualified and unqualified personnel who are eager to put food on their table through the activity called job.

Workforce planning has impacted positively to the advancement of many enterprises. Nel et al (2011) contended that good workforce planning allows rapid skills replacement, so that department can continue to function smoothly. Nel et al (2011) further argued that as a result of effective implementation of workforce planning, human resource practitioners can warn managers of minor problems before they turn into major ones. One may still wonder why so many organizations are failing even after workforce requirements have been forecasted and recorded.

Aim/Objective of the study

The aim of the study is to determine the effect of workforce planning on organisational performance. The specific objective is to:

1. Determine the effect of workforce supply on organisational performance
2. Determine the effect of workforce demand on organisational performance
- 3.

Hypotheses Formulation

The following null hypotheses were formulated to ascertain the effect of workforce planning on organisational performance.

HO1: Workforce supply does not significantly associate with organisational performance.

HO2: Workforce demand does not significantly associate with organisational performance.

REVIEW OF RELATED LITERATURE

Workforce planning

The concept of workforce planning is a serious issue in human resource management. This is because planning is one of the functions of management. Planning is the first process that human resource personnel executes before recruitment, selection, placement, training, promotion, performance appraisal, and compensation. Workforce planning is therefore a process carried by the human resource experts or personnel to ascertain the accurate number of workforce needed in the organization. It is also a process of allocating resources to the various departments in the workplace. Mintzberg (1994) argued that workforce planning “begins with a sound strategic business plan, reliable and available workforce data, a strong internal and external analysis, and a keen awareness of trends at the local and national level that impact how an organization does business and the types of skills an organization will be able to attract”.

Bechet (2000) view workforce planning as “the process of aligning an organization’s human capital -its people- with its business plan to achieve its mission, or, in other words, ensuring that an organization currently has and will continue to have the right people with the right skills in the right job at the right time performing at their assignments efficiently and effectively”.

The Academy of Public Administration perceived the concept as strategic workplace planning which they elucidated that “strategic workforce planning is a systematic process for identifying the human capital required to meet organizational goals and developing strategies to meet these requirements (Koontz and Donnell, 1993)”. Reilly (1996) in Sinclair (2004) contended that workforce planning is a process in which an organisation attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet that demand. But Sinclair (2004) describes workforce planning as a process of getting the right number of people with the right competencies in the right jobs at the right time. Sullivan (2002) states that workforce planning is a combination of both science (analytics) and art (planning). Another human resource scholar, Sloan (2010) posits that workforce planning is a continual process used to align the needs and priorities of the organization with those of its workforce to ensure it can meet its legislative, regulatory, service and production requirements and organizational objectives. Chartered Institute for Personnel and Development (2010) gave their own definition as a core process of human resource management that is shaped by the organisational strategy and ensures the right number of people with the right skills, in the right place at the right time to deliver short and long-term organisation objectives. State of Georgia, Human Resource Service, (2012) on their part posited that workforce planning is a systematic, proactive process, which aligns strategic planning, human capital and budgeting to meet organisational goals.

Workforce planning steps

Several authors have proffered steps on how workforce planning should be. However, Robinson and Hirsh (2008) from the Institute for Employment Studies outlined the following eight-steps to guide human resource practitioners in their functions.

- Step 1: Understanding the business and its direction
- Step 2: Analyzing the workforce
- Step 3: Identifying skills gaps
- Step 4: Assessing future workforce demand
- Step 5: Recruitment and selection
- Step 6: Understanding labour markets and planning for succession
- Step 7: Training and development plans
- Step 8: Developing workforce plans

On another hand, Cotton (2007) enlisted the following seven-steps of workforce planning

- Step 1: Define the Organization's Strategic Direction
- Step 2: Scan the Internal and External Environments
- Step 3: Model the Current Workforce
- Step 4: Assess Future Workforce Needs and Project Future Workforce Supply
- Step 5: Identify Gaps and Develop Gap-Closing Strategies
- Step 6: Implement Gap-Closing Strategies
- Step 7: Evaluate the Effectiveness of Gap-Closing Strategies and Revise Strategies as Needed

RBrecruitment.com (2016) highlighted the following seven-step benefits of workforce planning.

- i. support the strategic and business planning process, enabling a business to be more proactive and less reactive
- ii. improve efficiency, effectiveness and productivity through workforce management
- iii. serve as a mechanism for identifying and managing critical talent
- iv. facilitate strategic staffing and planning for future workforce requirements and highlight talent shortages, and the process of identifying sources of new talent
- v. strengthen the organisations capability now and in the future
- vi. align Human Resources strategies and policies to maximise the capacity of the existing workforce and shape the desired workforce
- vii. support the budgeting process by providing mechanisms for monitoring, forecasting and managing workforce costs.

Drivers of workforce planning

Turner (CIPD, 2010b) in O'Riordan (2012) contended that no single issue can account for the renewed interest in workforce planning and that its revival can be attributed to a convergence of forces. The forces according to them include the followings:

1. *A compelling need to be able to shape the organisation to deal with both expected and unexpected events:* Organisations have gone back to basics and are trying to get better workforce data to identify the optimum structure of the organisation and the development needs of those working there.
2. *The need to control costs without damaging competitiveness:* A workforce plan by providing an overview of workforce patterns, trends and requirements can inform the choices that the organisation needs to make.
3. *The need to up-skill organisation:* The need to develop the organisation and its people for the new environment created by economic uncertainty is a further consideration in workforce planning.

4. *The growing influence of the HR function:* Growing awareness of workforce planning as appropriately encompassing both operational and strategic objectives mirrors the now widely accepted belief that HR should have a similar spread of objectives within the organisation.

The concept of organisational performance

Organisational performance as a concept suffers from problems of conceptual clarifications. The term performance is often used indiscriminately to describe everything from efficiency, effectiveness to improvement. According to McCloy, Campbell and Cudeck, (1994), the term performance has to do with those behaviours or actions which are regarded relevant to those goals of the said organisation in question. They further argued that performance itself cannot be said to be the outcome itself, consequences or the result of behaviors or action but rather performance can be said to be the action itself. Thus they argued that performance tends to be multidimensional, a situation whereby for any specific-type of job, there tends to be a number of substantive performance components that are distinguished in terms of their inter correlations and patterns on co-variation with other variables.

However, there is no one definition of organisational performance. The primary reason for this is that researches from different fields of study such as psychology, human resource management, public administration and organizational behaviour have dealt with the concept based on their field of study. Hence, this study present the various definitions offered by human resource scholars on their perspectives about organisational performance.

Daft (2000) posits that organisational performance is an organisation's ability to attain its goals by using resources in an efficient and effective manner. Consequently, it is an evidence of the output of members of an organisation measured in terms of revenue, profit, growth, development and expansion of the organisation. In the same vein, organizational performance refers to the ability of an enterprise to achieve such objectives as high profit, quality product, large market share, good financial results, and survival at predetermined time using relevant strategy for action (Koontz and Donnell, 1993). Organizational performance can also be used to view how an enterprise is doing in terms of level of profit, market share and product quality in relation to other enterprises in the same industry. Accordingly, it is a reflection of productivity of members of an enterprise measured in terms of revenue, profit, growth, development and expansion of the organization (Kehinde, Jegede and Akinlabi, 2012).

In the context of workforce planning, organisatiuon can do better if the manager understands the various approaches and steps of planning for workforce. This is where the prerequisite of human resource management comes to play. The field of human resource is one critical area in management that is saddled with the responsibility of ascertaining the needs of the organization in terms of human resource and what is required of them. It therefore means that the type of workforce that made up an enterprise determines the performance profile of such enterprise. However, planning is crucial for optimum performance of any organization to be achieved. A common adage about planning is that; *one who fails to plan, has plan to fail*. Workforce planning therefore is the bedrock for effective performance for both public and private organization. In the Nigeria public service for instance, the number of people to be retired in the next six or one year is documented by the personnel department of each parastatals which enable the civil service commission to be acquainted with the number of vacancies that exists in the various ministries. In the same correlation, several media houses in Imo state are not left out on this argument. Human resource professionals in the media houses keeps records of new employees as well as those about to leave the service and in return make appropriate provisions for their replacement.

Methodology

Research design adopted for this study is a cross-sectional survey. Target population is media houses operating in Imo State. Accessible population is two radio stations and one television stations situated at Owerri the capital of Imo State. 100 staffs constitute the sample frame. Sample size for the study is 80. After distributing the questionnaire only 65 were completely filled and returned. Spearman's Rank Order Correlation Coefficient is used for data analysis. Statistical Package for Social Sciences (SPSS) was used to execute the data analysis. Face and content validity was adopted. Reliability was determined using the cronbach alpha test. All the variables were measured with 4-items on a 5-point likert scale ranging from 5-Strongly Agree, 4-Agree, 3-Disagree, 2-Strongly Disagree, 1-Undecided.

Data Analysis

Spearman's Rank Order Correlation Coefficient was used to test the null hypotheses with the aid of Statistical Package for Social Sciences Version 20.0.

HO1: Workforce supply does not significantly associate with organisational performance.

Correlations

			Workforce supply	Organisational performance
Spearman's Rho	Workforce supply	Correlation Coefficient	1.000	.815**
		Sig. (2-tailed)	.	.000
		N	65	65
	Organisational performance	Correlation Coefficient	.815**	1.000
		Sig. (2-tailed)	.000	.
		N	65	65

** Correlation is significant at the 0.05 level (2-tailed)

From the SPSS output above, workforce supply has a significant value of 0.000 which is less than 0.05 level of significance obtainable in management and social sciences. The null hypothesis is hereby rejected and alternate hypothesis accepted. The study hereby states that workplace supply is positively associated with organisational performance. This implies that workforce supply has a significant relationship with organisational performance.

HO2: Workforce demand does not significantly associate with organisational performance.

Correlations

			Workforce demand	Organisational performance
Spearman's rho	Workforce demand	Correlation Coefficient	1.000	.738**
		Sig. (2-tailed)	.	.000
		N	65	65
	Organisational performance	Correlation Coefficient	.738**	1.000
		Sig. (2-tailed)	.000	.
		N	65	65

** Correlation is significant at the 0.05 level (2-tailed)

From the SPSS output above, workforce demand has a significant value of 0.000 which is

less than 0.05 level of significance obtainable in management and social sciences. The null hypothesis is hereby rejected and alternate hypothesis accepted. The study therefore states that workforce demand is positively associated with organisational performance. This implies that workforce demand has a significant relationship with organisational performance.

Discussion of findings

From the test results, the study found that workforce planning is significantly associated with organisational performance. Result of tested hypothesis one indicates that there is a significant relationship between workforce supply of employees and organisational performance in the media houses. Secondly, hypothesis two results revealed that there is a significant relationship between workforce demands of employees in the selected media houses. This means that effective workforce supply and workforce demand will enhance organisational performance.

Conclusion

Workforce planning as a human resource management function measured in terms of workforce supply and workforce demand has the capability of improving the performance of media houses in Imo State.

Recommendations

1. Human resource managers in the media houses should ensure that the right skill, right number of human capital needed in the workplace corresponds with their demands.
2. Policy makers in the media houses should endeavour to delegate human resource planning function to qualified human resource personnel for effective productivity.
3. Managers in the media houses should adopt the workforce planning steps outlined in this study for effective performance.

References

- Bechet, T. (2000). Developing staffing strategies that work: implementing pragmatic, non-traditional approaches. *Public Personnel Management*, Vol. 29 (4).
- Bordoloi S, M.H. (2001). Human resource planning in knowledge-intensive operations: A model for learning with stochastic turnover. *European Journal of Operational Research*, Vol. 130, pp. 169-189.
- CIPD (2010b). *Reflections on workforce planning*, CIPD: London
- CIPD (Chartered Institute for Personnel and Development), (2010). *Workforce planning, right people, right time, right skills*, CIPD: London.
- Cotton, A. (2007). Seven steps of effective workforce planning. Human capital development series. <http://studylib.net/doc/8110962/seven-steps-of-effective-workforce-planning-h-u-m-a-n-c-a...>
- Daft, R.L. (2000). *Organization theory and design*. 7th ed., Cincinnati: South-Western Thomson.
- Kehinde, J.S, Jegede, C.A. & Akinlabi, H.B. (2012). Impact of leadership skill and strategies on banking sector performance: A survey of selected consolidated banks in Nigeria. *The Business and Management Review*. 3 (1): 313-319.
- Khatri, N. (2000). Managing human resource for competitive advantage: A study of companies in Singapore. *International Journal of Human Resource Management*, Vol. 11 (2) pp. 336-365.
- Koontz, H. & Donnell, C. (1993). *Introduction to management*. New York: McGraw-Hill Inc.
- Mccloy, R.A., Campbell, J.P., & Cudeck, R. (1994). A confirmatory test of a model of performance determinants. *Journal of Applied Psychology*, 79 (4): 493-505.

- Mintzberg, H. (1994). *The rise and fall of strategic planning*. Prentice Hall.
- Nel, P., Werner, A., Du Plessis, A., Ngalo, O., Poisat, P., Sono, T., Van Hoek, L. & Botha, C. (2011). *Human resources management*. Eight edition. Oxford University Press, Southern Africa.
- O’Riordan, J. (2012). *Workforce Planning in the Irish Public Service*. IPA.
- RBrecruitment.com (2016, October, 31). The key benefits of Workforce Planning. Retrieved from <http://www.rbrecruitment.com.au/archives/1287>
- Reilly, P. (1996). *Human Resource Planning: An Introduction*, IES Report 312
- Robinson, D. & Hirsh, W. (2008). Workforce planning Guide. Institute for Employment Studies. Retrieved from <http://www.employment-studies.co.uk/system/files/resources/files/451.pdf>
- Sinclair, A. (2004). Workforce planning: a literature review. Institute for Employment Studies, UK. Retrieved from <http://www.employment-studies.co.uk/system/files/resources/files/mp37.pdf>
- Sloan, J. (2010). *The workforce planning imperative*. Adelaide: JSM.
- State of Georgia Human Resource Service, (2012). Workforce planning guidelines. http://www.spa.ga.gov/word/WFP_Guidelines2012.docm.
- Sullivan, J. (2002). *Why workforce planning is hot*. Industry Trends.