HR PLANNING
STRATEGIC FRAMEWORK
PRESENTATION
BURGERS PARK - PTA

23 JANUARY 2008
OVERVIEW OF THE PRESENTATION

• Purpose and objectives of the strategic framework
• HR Planning in the global context
• HR Planning in the SA context
• Conceptual model for the HR Planning framework
• Pillars of action – key government initiatives
• Strategic HR Planning cycle
• Strategic HR Planning methodology
Why Is Strategic Planning for Human Resources Needed?

• The same environmental uncertainties that originally led to the evolution of comprehensive strategic business planning have also made strategic planning for human resources an increasing necessity.

• Changes in economic, technological, geographic, demographic, governmental, and social conditions necessitate a way to anticipate long-range HR and talent needs, instead of merely reacting to short-term needs to replace workers.
PURPOSE AND OBJECTIVES

• **Purpose:**
  
  – to create an integrated strategic approach to HR Planning that will facilitate the development and implementation of strategies, tool, and interventions to achieve departmental strategic objectives and the Government’s Programme of Action.

• **Objectives:**
  
  – To identify and rectify pertinent HR Planning capacity-development gaps;
  – To provide a framework for HR Planning policies and guidelines;
  – To ensure compliance with HR Planning prescripts;
  – To address human capital skills challenges
  – Increase efficiency and effectiveness of HR w.r.t analytics and D.S.S.

• Of critical importance is that this strategic framework is a service delivery model for departments to adapt during their HR Planning process.
Conceptual Model of Human Resources in the Public Service

- HR Planning & Forecasting
- HR Supply
- HR Production
- Resource Deployment and Utilisation
- Efficient Mix of Resources
- Public Service Outcomes
- Department’s Outcomes
- System Outcomes

- Citizen’s Service Delivery Needs
- Financial Resources
- Management & Organisation of Service Delivery Across the Public Service

- Social
- Technological
- Political
- Economic
- Geographical
- Legal

HRIS
HR PLANNING IN THE SA CONTEXT

• HR Planning a new concept in the SA public service;
• Absence of proper norms and standards across the public service;
• HR Planning ensures departments are appropriately resourced;
• dpsa responsible for developing and reviewing HR Planning tools;
• samdi/dpsa responsible for fostering capacity-development in the public service;
• samdi/dpsa responsible for developing unit standards for HR Planning;
• SA public service is heavily reliant on service providers to conduct HR Planning;
• Conduct HR Planning at macro level by developing a National HR Plan.
CONCEPTUAL MODEL FOR HR PLANNING FRAMEWORK
PILLARS OF ACTION

KEY GOVERNMENT INITIATIVES

• **Capacity development** – ensure enhanced service delivery

• **Organisational support** – integrated departmental operational processes

• **Governance** – processes and systems by which departments operate

• **Economic growth & development** – responding to the millennium development goals and the developmental state agenda
HR PLANNING PRINCIPLES

- Align HR Planning process to the Guidelines & Reporting Template
- Establish an HR Planning team and develop a communication strategy
- Forecast supply and demand
- Align strategic interventions to the relevant legislative & regulatory framework
- Train & develop employees on the application of available human resource practices
- Implementation must be monitored & outcome reviewed and evaluated
- Focus on levels of employment
- Responding to the needs of the designated groups
- Flexibility and adaptability
- Link HR Planning to the Strategic Planning objectives
- Focus on levels of employment
- Recognised HR Planning approach
- Communication & participation
- Identification & analysis of skills & competencies
- Customise strategic interventions
- Develop & maintain capability to support strategies
- Monitoring & evaluation
- Strategic approach to HR Planning

CORE HR PLANNING PRINCIPLES
STRATEGIC HR PLANNING CYCLE

HUMAN RESOURCE PLANNING PROCESS CYCLE

JANUARY – MARCH
Preparation for HR Planning

SEPTEMBER – DECEMBER
M & E of the HR Planning process

MAY – AUGUST
Implementation of the HR Plan

APRIL
Submission of the HR Planning Report
The HR Planning Process

1. Setting the Strategic Direction
   - Understanding Government wide Objectives
     - National/Provincial Strategic Priorities
     - National HR Priorities/Strategies
     - Dep. Strategic Plan for next MTEF cycle
     - Dep. Business Plans for next financial year
     - Component Business Plans
   - Component Business Plans

2. Conduct Environmental Scan
   - Forecast Human Resource Demand
     - Organisation Structure
     - Competencies
     - Training and Development
     - Types of Employment & Resourcing
     - Staffing Statistics
     - Budget Analysis
     - Employment Equity
     - Employee Health and Wellness
     - Values and Ethical Behaviour

3. Conduct Workforce Analysis
   - Forecast HR Supply (internal and external)
     - Skill Development Strategy
     - Recruitment and Retention Strategy
     - Employment Equity Plan
     - HRD Strategy
     - Employee Wellness Strategy
     - Performance Management Strategy

4. Identify gaps in Supply and Demand

5. Identify priority HR Issues

6. Develop Action Plan to Address the Gaps
   - Establish Funding/requirements

7. Monitoring and Evaluation of HR Planning

Analyze HR utilisation

Forecast HR Supply (internal and external)
HRM&D Planning System
Interaction

1. HR Demand
   - Need
   - HR Supply
   - Workforce Skills Plan
     - Report on Internal Skills
     - Report on Critical Skills
     - Report on Competencies
     - Ad-hoc Reporting

2. HR Supply
   - HR Plan
     - Linked to Recruitment solution
     - Linked to a Performance Management Solution
     - Linked to a Learning and Development Solution
     - Ad-hoc Reporting

3. Gap Analysis
   - Representation of Demographics – Employment Equity Report (Workforce Profile Report)
   - Lack of competency framework
   - Workforce Skills Plan
   - Ad-Hoc Reporting

4. HR Plan
   - Monitoring and Evaluation
     - Linked to the Performance criteria (KPA) for a specific employee
     - Rolled into Balanced Scorecards
     - Ad-hoc Reporting

Macro Organization Structure
Organization Hierarchies
Jobs & Grades
Positions
Organization Budget

Linked to the Performance criteria (KPA) for a specific employee
Rolled into Balanced Scorecards
Ad-hoc Reporting
HRIS?
e-HRM

• There is a fundamental difference between HRIS and e-HR in that basically HRIS are directed towards the HR department itself.
  – Users of these systems are mainly HR staff.
  – These types of systems aim to improve the processes within the HR departments itself, albeit in order to improve the service towards the business.

• With e-HR, the target group is not the HR staff but people outside this department: the employees and management. HRM services are being offered through an intranet for use by employees.
  – The difference between HRIS and e-HR can be identified as the switch from the automation of HR services towards technological support of information on HR services.

• e-HRM is a way of implementing HR strategies, policies, and practices in organizations through a conscious and directed support of and/or with the full use of web-technology-based channels. The word 'implementing' in this context has a broad meaning, such as making something work, putting something into practice, or having something realized. E-HRM, therefore, is a concept - a way of 'doing' HRM.

• The e-HRM business solution is designed for human resources professionals and executive managers who need support to manage the work force, monitor changes and gather the information needed in decision-making. At the same time it enables all employees to participate in the process and keep track of relevant information.
e-HRM Model

HR Policy and Strategy

National
Provincial
Sectoral
Departmental

Cost effectiveness
Congruence
Competence
Commitment
e-HRM Outcomes

e-HRM Types
Operational
Relational
Transformational

e-HRM Goals
Improving Efficiency/ Administrative process
Improving HR Services
Improving HR’s Strategic Role

Environment
-Social
-Technological
-HRM&D Benchmarking and State of the Art HR
-Labour Market
-Government
-Legal

- INTERNAL AGENTS
- EMPLOYEES
- MANAGEMENT
- LABOUR
- GOVERNMENT
e-HRM Goals

• The three types of goals are essentially the building blocks for the e-HRM research model
  1. Improving the strategic orientation of HRM
  2. Cost reduction/efficiency gains
  3. Client service improvement/facilitating management and employees.
• Organisations that invest in e-HRM, are driven by the aim of improving the strategic role of HRM, reducing administrative HR work, and improving employees’ satisfaction with HRM services.
Types of e-HRM

- E-HRM is not a specific stage in the development of HRM, but a choice for an approach to HRM, namely operational HRM, relational HRM and transformational HRM.

- Operational HRM, concerns the basic HR activities in the administrative area. One could think of salary administration (payroll) and personnel data administration. Operational type of HRM, provides the choice between asking employees to keep their own personal data up-to-date through an HR website or to have an administrative force in place to do this.

- Relational HRM, concerns more advanced HRM activities. The emphasis here is not on administering, but on HR tools that support basic business processes such as recruiting and the selection of new personnel, training, performance management and appraisal, and rewards. For relational HRM there is the choice between supporting recruitment and selection through a web-based application or using a paper-based approach (through advertisements, paper-based application forms and letters etc.).

- Transformational HRM, the third area concerns HRM activities with a strategic character. Activities regarding organizational change processes, strategic re-orientation, strategic competence management, and strategic knowledge management. Finally, in terms of transformational HRM, it is possible to create a change-ready workforce through an integrated set of web-based tools that enables the workforce to develop in line with the company’s strategic choices or to have paper-based materials.
e-HRM Outcomes

Four possibilities:

- **High commitment**, means that the workforce is motivated and understanding, and that they are willing to interact with the management about changes in the organizational environment and the impact that this can have on the internal organization. For HR itself, this means that it should be able to play the role of change agent, to use Ulrich’s (1997) terminology.

- **High competence**, implies a high level of trust between management and workforce. High points towards the capacities of employees to learn new tasks and roles if the circumstances require it. For HR itself it means, in Ulrich’s framework, playing the employee champion role.

- **Cost effectiveness**, refers to the competitiveness of pay levels and employee turnover rate, and to the acceptability of costs resulting from employee resistance such as strikes. As Ulrich (1997) states, HR itself has to be able to play the administrative expert role in order to contribute to an organization’s cost effectiveness.

- **Higher congruence**, refers to the internal organization, the reward system, and the ‘input, throughput, and output’ of personnel, which need to be structured in the interests of all stakeholders.
Functional components supporting e-HRM

Input: Employee information
Transformation: Software
Output: Reports