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ABSTRACT

The aim of human resource planning (HRP) is to have the right people in the right place at the right time. While the public sector has moved from a civil service to a human resources paradigm, the literature indicates a lack of successful HRP implementation in this sector. This paper explores key issues around HRP in the public sector. Evidence suggests that effective HRP is critical to meeting internal and external organisational challenges, however, relevant processes and practices do not seem to be strategic or integrated in the public sector. If not addressed, the absence of HRP in the public sector can lead to poor organisational performance, increased costs, a lack of continuity and other negative impacts.

Keywords: Human Resource Planning, Strategy, Public Sector Motivations, Policy, Human Resources Function

INTRODUCTION

There is general agreement that globalisation has affected the public sector, specifically with moves towards a more market-orientated approach (Noon, Blyton & Morrell, 2013; Rayner et al., 2002). Many of the key challenges for the public sector reflect that of the private sector. These include achieving a flexible, intellectually agile workforce; recruitment and attraction of quality staff in a tightening labour market; planning for a more diverse career patterns; addressing learning gaps; and developing future leaders (Boxall & Purcell, 2011; Lamond, 2005). Effective human resource planning (HRP) is a mechanism for building long-term capacity to meet these workforce challenges (Choudhury, 2007). HRP is a core human resource management (HRM) process and seeks to prepare organisations for their current and future workforce needs by ensuring the right people are in the right place at the right time (Jacobson, 2010).

The purpose of HRP is to forecast organisational needs for employees taking into account the internal and external supply of labour to meet staffing requirements; that is, identifying the gap between what is needed and what is available (Santos, Zhang, Gonzalez & Byde, 2009). HRP not only addresses employee supply-demand needs, but is also a critical component of an organisation's integrated

strategy. Getting the balance right between labour demand and supply is the most common objective of HRP (Imison, Buchan & Xavier, 2009). Since the 1980s, a large and continually growing body of literature has been developed in relation to HRP in the private sector; however, the same attention has not been paid to the public sector (Freyens, 2010). This discrepancy may have been a function of tenure processes in public sector organisations where many staff were long-term employees resulting in a sufficient supply of labour from within (Wilkerson, 2007). The landscape in which public sectors operate has, however, changed. Modern challenges for public sector organisations include: knowledge loss in relation to retiring and aging employees; a lack of skilled human resources; the war for talent; and a lack of integration between HRP and other HRM functions to name a few.

The purpose of this paper is to consider the key factors around HRP processes in public sector organisations. The following issues will be considered: In what ways are HRP practices different in the public and private sectors?; What are the key influences shaping HRP in each sector?; and, How might these be investigated?

HUMAN RESOURCE PLANNING

Identifying and cementing an organisation's strategy is a key component for survival (Steven, 2001). Managers can strategise, and organisations can gain competitive advantage through physical sources, including: technology and equipment; and intellectual and human capital sources, including: individual knowledge, skills and abilities. For many organisations competitive advantage is sought by focusing on the management of their most valued assets: their human resources. HRM can be defined as strategies, policies, practices and procedures that relate to the management, maintenance and development of an organisation's human resources (Inyang, 2011). HRP is a first and most basic, activity of the HRM function (Anyim, Mba & Ekwoaba, 2012). The aim of HRP is to ensure appropriate human capital is available to move the organisation forward. HRP captures all actions involving continuous environmental scanning and reviewing of organisational strategies, objectives, and policies in order to ensure that the right quality and quantity of human resources are available

when and where they are needed (Deb, 2006; Härtel, Fujimoto, Strybosch & Fitzpatrick, 2007; Randhawa, 2007).

The application of HRP is often seen differently in the private and the public sectors despite both sectors acknowledging the role of managing people as an important source of success (Absar & Mahmood, 2011; Kumar & Mishra, 2011; Parry, Kelliher, Mills & Tyson, 2005). Global and competitive forces have for some time necessitated the public sector compete; whether with other public or private organisations, prompting both sectors to continuously improve their performance (Harel & Tzafrir, 2001). There is a broad agreement that HRM strategies policies and practices in the public sector have changed to become more like those in the private sector (Boyne, Poole & Jenkins, 1999).

In public and private sector organisations HRP can be used to ensure organisations are strategically resourced to meet key organisational goals, however, differences have been noted in each sector in terms of the strategies and practices (Ali, Ahmad & Iqbal, 2012; Amitabh, 2012; Dom, Kasim & Sansuddin, 2012). In Australia, Colley and Price (2010) indicate that only a small percentage of public sector organisations apply HRP processes effectively. This finding is consistent with a study conducted by the International Personnel Management Association (IPMA) which found HRP is not common in the public sector (Johnson & Brown, 2004). The key influencing factors in this context include: the lack of appreciation of the potential value of comprehensive centralised workforce data; many organisations not having the necessary roles, skill base or competencies to support HRP (Anderson, 2004); and HRP not having been identified as a priority function. If not addressed, in the long run, the absence of HRP in the public sector can lead to raising costs, a lack of continuity, and other negative impacts on organisations (Jacobson, 2010).

HRP and strategic intent

HRP can be used to achieve organisational objectives by understanding and planning for people needs in the short, medium and long term (Colley & Price, 2010). This is achieved by analysing the current profile of the workforce and comparing it with future needs, and in doing so identifying the gaps to be

addressed (Ulfertsm, Wirtz & Peterson, 2009). Ulrich (1992) reported three benefits from a linkage between strategic planning objectives and HRP. First, benefits are derived through integrated strategic planning and HRP; optimising competitive advantage. Second, change is created in the organisation's business systems enabling flexibility. Third, is the achievement of strategic unity. The ultimate outcome is one where an organisation's strategic initiatives are likely to be achieved as the focus is on essential prior planning resulting in competitive advantage, and HRM programs that are fully compatible with the strategic goals and organisational initiatives.

Ogunrinde (2001) examined the application of HRP and its relationship with organisational performance and found that organisations engaged in HRP performed better than those that did not. Leng (2005) reported similar findings in a construction project where HRP played a significant role in improving the project's performance, addressing skilled labour shortages, a transient workforce, and a lack of effective training and performance appraisals. Such findings suggest that effective HRP is critical to meeting internal and external organisational challenges.

The application of HRP in the public sector

An essential element in achieving organisational objectives is the prediction of future needs, human or other (Jacobson, 2010). How to conduct HRP accurately and effectively is one of the most significant current discussions in the field (Freyens, 2010). The mid-1990s saw the genesis of HRP as a strategic tool for organisations. HRP literature experienced a sharp increase since the mid-1990s but has ultimately failed to identify successful and proven strategic solutions (Wilkerson, 2007). Currently, there is a lack of published research setting out HRP best practice in the public sector and researchers such as Jacobson (2010) continue to propose that in-depth studies are needed to explore current practice, and the effectiveness of HRP in this setting.

In both public and private organisations, dramatically shifting workforce demographics are necessitating appropriate HRP strategy, policy and practice. The appropriate management of human capital is essential for organisations to meet goals and objectives. This is a challenge for public sector organisations where strategy has been lacking especially in relations to HRM (Ayanda & Sani, 2010).

For example, public sector organisations have been found not to invest sufficiently in their employees to the levels required to meet their strategic intent (Choudhury, 2007). As the main role of the HRM function in an organisation is to add value by recognising that people are a key component of an institution's competitive advantage, the extent to which the public sector can translate this concept into policies and practices remains an ambiguous issue and is worthy of further attention and research.

KEY INFLUENCES SHAPING HRP STRATEGY AND PRACTICE IN DIFFERENT SECTORS

Despite recent convergence, there remain significant differences between the public and private sectors. The former remains characterised by a high degree of regulation, traditional bureaucratic structures, job security, and low mobility; factors in themselves that may be significant in understanding the adoption of modern HRM strategy, policy and practice. In order to better understand the key influencing factors in the adoption of HRP in the public sector, it becomes necessary to consider both external and internal factors, such as the environment, country profiles, demographics and workforce characteristics.

External factors

Economic fluctuations have important implications for HRP (Sinclair, 2004). A study of HRM practices in central government departments in 24 western nations concluded that economic strain on the public sector was the reason behind the way people are managed in the public sector (OECD, 1996). This enabled the public sector to improve organisational performance through enhancements in the provision of more effective and efficient services and programs.

In a different context, Dom et al., (2012) investigated several factors affecting the Malaysian construction industry and found that economic changes were dominant HRP influencing factors. Such changes in the environment affect organisations' size, focus, what they do; for whom they do it; and how they will recruit, retain and develop the workforce (Colley & Price, 2010). Similarly, labour shortages that resulted from the economic prosperity in the US during the 1990s encouraged innovative recruitment and retention practices with organisations employing workers from non-

traditional sources, leading to a more diverse workforce which could in turn effectively service different client bases (Česynienė, 2008).

Technology has also improved HRP operations in terms of effectiveness and efficiency (Xie & Huang, 2012) in both sectors. One of the many advantages resulting from the use of technology is the reduced cost of processing (Shyni, 2005) and more effective planning. Communication technologies have enhanced the incorporation of HRP into the management of other aspects such as customer relationships. As developments in information technology have transformed the nature of the workforce, HR planners need to create integrated systems that allow an organisation to have up to date information and the ability to analyse data in a sophisticated and informative manner. Absar and Mahmood (2011) contend that a significant difference in HRP practices between the private and public sector is maintaining human resources data, which should be managed and analysed through appropriate technological tools and platforms.

Country profile

The differences in HRP approach and practice have already been discussed in the private versus public sectors, however, a further layer of complexity may be the differences in developed versus developing countries. Iqbal, Arif and Abbas (2011) conducted a comparative study of HRM practices in public and private universities of Pakistan. These findings showed that there was a significant difference in HRM practices in these institutions according to their executives. The findings are consistent with those of Budhwar and Boyne (2004) who compared HRM practices in private and public manufacturing firms in India. A possible explanation for the differences between the two sectors in this context might be that each sector has its own distinct organisational roles, structures and processes (Harel & Tzafrir, 2001). Nyambegera, Sparrow and Daniels (2000) also highlight that national culture is a key factor in comparing practices of different countries as culture is at the heart of employee and organisational values, attitudes and behaviours.

Demography

Demography is a factor that influences trends for HRM activities, policies and overall organisational strategies (Norma-Major & Gooden, 2012). A New Zealand study (Edgar & Geare, 2004) found that HRM activities are influenced by factors such as demography, especially age, gender and ethnicity.

The public sector in many Western countries has to rely on a much older workforce, who will have to work longer in future. Winkelmann (2009) suggests that these countries will have high proportions of older workers and will be affected by workforce ageing by 2025. This will constitute a reduction in overall employment rates in these countries. Lars (2011) argues that in some instances the change in demographics will create fewer entry-level employees, which will increase the level of competition among employers. In responding to this challenge, many European organisations have already developed HRP policies. For example, many UK organisations have adopted strategies that provide advice on current employment opportunities within the company or improve the skills for their employees to find work in other companies (Česynienė, 2008). Accordingly, elements of current HR policies and organisational management need to be adjusted to take these issues into account. An outcome is that competition between the private and public sectors for securing the best talent will intensify.

Many organisations in developed countries (e.g. the United States, United Kingdom, Japan, Australia, New Zealand, and most European Union countries) have found that baby boomers (people born between 1946 and 1964) are one of the major demographic challenges facing HRP in the public sector (Jacobson, 2010). A small number of younger workers are available compared with the much larger number of baby boomers. A further challenge associated with this phenomenon is that high proportions of baby boomers are found in leadership and key customer-facing positions (Dychtwald, Erickson, & Morison, 2004). This has lead to a crisis in replacing the baby boomer workforce when the group moves into retirement (Bosworth, Wilson, & Baldauf, 2007). Arnold and Pulich (2007) found that the non-profit sector was experiencing a crisis of staffing where a high proportion of older, more skilled employees were in high-level positions thus making it harder for the public sector to recruit such employees.

Several studies have recommended that current HRP practices should be further explored and used to address the demographic challenges faced by public sector organisations (e.g. Jacobson, 2010; Ulfertsm et al., 2009). These issues are especially important due the lack of effective workforce data in the public sector and the isolation of HRP from the HRM function (Freyens, 2010). Investigating how the gap between current and future needs is determined is important if public sector organisations are to be able to effectively and efficiently deliver on their goals.

CONCLUDING COMMENTS

Public sector organisations are different to their private sector counterparts in terms of context, goals and strategies, however, increasingly, there is competition between the two sectors. The integration of HRM and business strategy enables organisations to maximise their competitive advantage by drawing attention to ways in which people could be developed and deployed more appropriately, in turn enhancing the achievement of business goals (Anyim, Mba & Ekwoaba, 2012). Effective HRP is a critical part of this process and it is imperative that it is well understood and implemented in the public sector.

Studies are needed to explore HRP processes in public sector organisations. How are the demographic challenges and the need to have skilled, knowledgeable and competent staff met? Can HRP processes used in the private sector be applied in the public sector? Case studies would be an effective method for exploring HRP processes in the public sector, particularly within different agencies. Interviews with agency head and team leaders could gather data on current and future staffing needs, while interviews with HR practitioners and planners could consider processes by which future needs are gathered and assessed against current requirements.

Such studies would address the gap in literature and practice relating to effective HRP strategies and processes in the public sector (Curson, Dell, Wilson, Bosworth & Baldauf, 2010; Freyens, 2010; Johnson & Brown, 2004). Through in-depth analysis of the ways in which HRP is practiced in the public sector awareness could be created of the importance of HRP, and public organisations could be helped to achieve their goals. Furthermore, empirical research and case studies of HRP in the public

sector could contribute to scholarly knowledge in this area by probing deeper into the nature of HRP in the public sector. The important HRP variables and characteristics under which the public sector can be more effective can be identified through such studies, resulting in the development of framework/s for best practice.

The objective of HRP is to identify, via demographic analysis and retirement projections, organisational needs for skills and competencies for both current and future needs (Randhawa, 2007). HRP facilitates organisational effectiveness through planning for recruitment, retention, redeployment, leadership and employee development (Sullivan, 2002a; 2002b). Balancing labour demand and supply is the objective of HRP (Imison et al., 2009). In doing so, HRP serves to enable the HRM function to create organisational value by recognising people are a source of competitive advantage. To what extent this occurs in the public sector, and the extent to which processes are used to translate the concept into appropriate policies and practices that enhance organisational competitiveness remains ambiguous and needs further exploration.

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