

Strategic Management in the Role of Staff Performance and Profitability in the Company

Ibrahim Osman Sesay*

Department of Administrative Management, Kamet Turbo Engineering Limited, Greater Accra, Ghana

Abstract

Organisations need to know how many people and what sort of people they should have to meet the present and future business requirements. This is the function of human resource planning or workforce planning as it is sometimes called, especially in the public sector. Planning for human resources has experienced a chequered history. In the 1960's and 1970's it was heralded as a critical tool for business success, as planning to get the right people in the right place at the right time was seen as essential to achieving rapid growth. In the 1980's and 1990's planning was viewed as a suitable tool for managing downsizing and redundancies. On the other hand it has been argued that planning is no longer meaningful in an era of rapid discontinuous change where it has been recognized that strategies emerge rather than being precisely planned in advance.

Keywords: Business requirements • Organisations • Human resources • Chequered history

Introduction

In this presentation, we seek to differ from the proposition that Human Resource Planning is irrelevant. According to Bulla and Scott, human resource planning is the process for ensuring that the human resource requirements of an organisation are identified and plans are made for satisfying those requirements. Reilly, defined workforce planning as "A process in an organisation that attempts to estimate the demand for labour and evaluate the size, nature and sources of supply which will be required to meet the demand" [1].

The nature of HRP

HRP matches the supply of people internally and externally with the opening the organisation anticipates to have within a period of time. It is sometimes referred to as management planning. According to Quinn Mills, HRP is a decision-making process that combines three important activities.

- Identifying and acquiring the right number of people with the right skills.
- Motivating them to achieve high performance.
- Creating interactive link between business objectives and people-planning objectives.

Literature Review

Importance of HRP

Employees enable an organisation to achieve success because they are strategic resources. That is the strategic capability of a firm depends on its resource capabilities. Michael Porter, argued strongly that an organisations employees can provide a firm with competitive advantage. Human capital is difficult to imitate or duplicate, so an organisation that manages its human resources strategically is more likely to survive and profit. According to the human capital theory, organisations use HRM in a variety of ways to increase their human capital. For instance organisations buy human capital in the market by offering desirable compensation packages or make it internally by offering extensive training and development opportunities [2]. This is achieved through HRP. Helps to satisfy legally mandated affirmative action programs. Affirmative action is first emerged from government pressures on businesses to provide opportunities for women and minorities. In this light, HRP provides a profile of current staff in terms of age, disability, gender, among others, so as to move towards being an equal opportunity organisation. Helps a firm meet its future labour need (avoiding labour shortages or surpluses) and to avoid significant financial cost. HRP enables employers make informed judgement about the skills and attitude mix in the organisation. Strategic HRM can improve organisational performance. The goals of these HRM strategies are to shape employee behaviour so that it is consistent with strategic direction [3].

*Address for Correspondence: Ibrahim Osman Sesay, Department of Administrative Management, Kamet Turbo Engineering Limited, Greater Accra, Ghana; E-mail: ibrahimosmansesay@gmail.com

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Why organisations give little time to HRP

Farnham commented that organisations give little time to HRP because of:

- Lack of resources and skills
- The time and effort required
- The absence of relevant data to do so

Taylor noted that it would seem that employers, quite simply, prefer to wait until their view of the future environment clears sufficiently for them to see the whole picture before committing resources in preparation for its arrival. The perception is that the more complex and turbulent the environment, the more important it is to wait and see before acting [4].

Effects of poor HRP

In the short term, poor HRP will lead to:

- Production fall
- Loss of clients
- Underperformance by idle employees
- High turnover where there is lack of career opportunity

In the long term, poor HRP will lead to:

- Organisational attrition
- Close down

In conclusion, juxtaposing the importance of HRP against the effects of poor HRP, it is crystal clear that organisations are better off when they engage in strategic HRP than to assume that HRP is irrelevant.

Discussion

Job analysis

Job Analysis is the procedure through which one determines the duties of a position and the characteristics of the people to hire for them. Gomez and Mejia et al also defined job analysis as the systematic gathering and organisation of information concerning jobs. It identifies the tasks, duties and responsibilities of a particular job [5]. The HR manager gathers information on the tasks, duties and responsibilities of the potential employee. The written outcomes of this process are; job description and job specification. Job description refers to the duties or tasks to be carried out on the job whilst job specification has to do with the competencies or KSAs the job holder must possess to be successful in a specific job. Job analysis goes through the following processes:

Planning the job analysis: The HR manager identifies the objectives of the company and ensure that top management are committed [6].

Preparing for and introducing job analysis by reviewing relevant background information about the company; the organogram of the company and the job to be done; existing tasks: The HR manager select and communicate to the parties involved thus the HR experts/specialist unit, line managers and supervisors/worker groups. They should be involved to reduce

anxiety. Also, the HR manager supervises the process, write-up, analyse and design the final job description and job specification documents.

Conducting job analysis: The HR manager collects and examine data on job activities and human requirement needed to perform the job using various methods including questionnaires, interviews, observation and employee log.

Finally, developing job description and job specification: The HR manager develops a draft of job description and job specialization and verify the job description and job specialization information before finalizing the two documents.

Person evaluation

Person evaluation is often used by companies and businesses to evaluate and critique employees and the quality of work that they do. Person evaluation is done during performance appraisal. Job analysis guides the HR Manager to evaluate the employee based on the needs of the job requirement which is the individual analysis for training where needed. Three methods that have been frequently used in organizations to evaluate people are the ranking method, paired comparison and forced distribution [7].

Ranking method

This is a relatively easy method of performance evaluation. Under this method, the ranking of an employee in a work group is done against that of another employee. The relative position of each employee is tested in terms of his numerical rank. It may also be done by ranking a person on his job performance against another member of the competitive group. The quintessence of this method is that employees are ranked according to their levels of performance. While using this method, the evaluator is asked to rate employees from highest to lowest on some overall criterion [8].

Paired comparison method

Ranking becomes more reliable and easier under the paired comparison method. Each worker is compared with all other employees in the group; for every trait the worker is compared with all other employees. For instance, when there are five employees to be compared, then A's performance is compared with that of B's and decision is arrived at as to whose is the better or worse? Next, B is also compared with all others. Since A is already compared with B, this time B is to be compared with only C, D and E.

Forced distribution method

Under this system, the rater is asked to appraise the employee according to a predetermined distribution scale. The rater's bias is sought to be eliminated here because workers are not placed at a higher or lower end of the scale. Normally, the two criteria used here for rating are the job performance and promotability. Further, a five point performance scale is used without any mention of descriptive statements. Workers are placed between the two extremes of good and bad performances. For instance, the workers of outstanding merit may be placed at the top 10% of the scale. The rest may be placed as 20% good, 40% outstanding, 20% fair and 10% fair. To be specific, the forced distribution method assumes that all top grade workers should go to the highest 10%

grade; 20% employees should go to the next highest grade and so on [9].

Job evaluation

A job evaluation is a systematic way of determining the value/worth of a job in relation to other jobs in an organization. It tries to make a systematic comparison between jobs to assess their relative worth for the purpose of establishing a rational pay structure. Job evaluation needs to be differentiated from job analysis. Every job evaluation method requires at least some basic job analysis in order to provide factual information about the jobs concerned. Thus, job evaluation begins with job analysis and ends at that point where the worth of a job is ascertained for achieving pay equity between jobs. The purpose of job evaluation is to produce a defensive ranking of jobs on which a rational and acceptable pay structure can be built. The important features of job evaluation may be summarized thus:

- It tries to assess jobs, not people.
- The standards of job evaluation are relative, not absolute.
- The basic information on which job evaluations are made is obtained from job analysis.
- Job evaluations are carried out by groups, not by individuals.
- Some degree of subjectivity always present in job evaluation.
- Job evaluation does not fix pay scales but merely provides a basis for evaluating a rational wage structure.

Failure to conduct pre-employment background investigations can lead to embarrassing and sometimes potentially liable situations. Consider hiring an employee with a violent criminal background. This might not come to light in the various number of selection processes and once that person begins work he/she harms a co-worker. Mathias and Jackson identify two main liabilities when employers fail to do background checks the first is negligent hiring. This occurs when employers fail to do background check on an employee and the employee harms a co-work on the job. The second negligent retention occurs when an employer becomes aware that an employee is unfit for the job and yet continues to employ the person who later harms someone. Failure to do background investigations can lead to the image of the organization being tarnished that can cause a downturn in profits [10].

Ideally a detailed background check on all aspects will be good but that is quite expensive. Our group will do a check on criminal records, educational and certification records, recommendations from former employer and supervisors and credit history. This is because it is not unusual for applicants to lie on the application form. Some also misrepresent their qualifications or the type of work they did in their former place of employment. The background check weeds out those who have something to hide and helps to identify potential misrepresentations. Recommendations from the potential employee's former employer and supervisor are very beneficial. It answers questions like the dates of employment, positions held, job duties, strengths and weaknesses observed, were there any problems, would you rehire that employee etc.

This is better than using references provided by the applicant, because no applicant will give a reference that would speak ill of them. Work related references give a better description to the background and characteristics of the applicant. The credit reporting act of Ghana even though new provides an avenue for us to do a credit history which is said to give an indication of the person's level of the responsibility.

Conclusion

Educational and certification records can be verified by calling the registry or academic directorate of the school in question. Police records will also be obtained from police headquarters about criminal records if any of the applicant. Work related references will be asked of the applicant and that information will be used to contact the applicant's former employer and supervisor about the characteristics of the applicant. Another way is to use personal web pages, internet, and online network sites like Facebook, Twitter, MySpace to get personal information about the potential applicant. The caution here is that it will be used in conjunction with the other ways described above since it is possible for someone to publish a damning comment etc.

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