

AF1 NBCC is a construction company located in the West Midlands in England. The company only conducts business in the sub sector of the UK construction industry. Currently the business is doing well as it has achieved the best medium house builder of the year three times. The company also has a very good reputation for retaining their staff, as at the moment their labour turnover is below average and this is due to their good HR planning and training and development schemes. However the business has got a relatively new set of a board of directors who are questioning the importance and benefits of HR planning.

What does Human Resource Planning involved?

General explanation of why HR plan is important

AF2 ✓ Human resource planning is matching the workforce to the needs of the business, such as how many workers does the business need and what skills should the workers have. Therefore they are very much involved in the recruitment and selection process, as well as training and development. Once human resources have recruited and trained staff they ensure the workforce and their skills are used effectively, as HR has a big role in the decision-making and the planning of the business in order to achieve quality culture, which is meeting a standard of values and aims for the business. HR most importantly keeps good relations between the employer and employee, in order to achieve a good staff retention, which leads to good motivation as well as reduce labour costs for the business.

What is the importance of Human Resource Planning for NBCC?

General point

Human resource planning is important because it creates the right workforce in order to meet the needs of the business. This is good because by creating the right workforce means the business is more likely to meet their aims and objectives, as the workforce has the correct skills therefore productivity is good. By having HR leads to good management skills such as planning, organisation and monitoring and this is important because it means decisions are made strategically and the workforce fully understands the aims of the business. This is important for NBCC because the demand for medium sized housing is increasing, therefore in order to meet customer demand and to stay competitive the business must ensure their workforce is at a high standard. The industry that NBCC is in is construction and therefore having HR is very important when creating the right workforce because there is a very short amount of time from when the bid is won on the house to when the construction work begins, therefore there is a very short amount of time to find the right workforce, as most construction companies only employ people when the contract has been fulfilled.

Specific point AF1

(AF2) Human resource planning is also important because it improves motivation. HR maintains the relationship between the employer and the employee, as well as ensuring that the employees have the right training. Training can involve up-skilling, which means that current employees have opportunities to improve their skills and position in the business. Currently NBCC is always reinvesting in their training and development schemes and their staff at all levels. This is good

ref to case study AF1

because theorist Herzberg states that a company has to have basic factors in place and additional motivational factors. The company has a good labour retention record, which implies that the basic factors are in place and with offering up-skilling and good training and development skills provides the employees with job security, promotion opportunities and feeling valued. These are all motivational factors, which mean that the company are going extra mile in order to keep their employees happy and motivated. This is good because it means employees have got good mind-set at work and are productive.

AF1

EBI ?

use case study data to support judgements

In addition human resource planning is important because it helps retain staff and improve labour turnover. This is good for the company because it gives them a good reputation with other people interested to work for the company and customers. This is also very important due the external environment, as the construction industry is already very competitive and there is also a skills shortage. Most recently the main problem for the construction industry is Brexit, as the companies heavily rely on foreign workers that come to UK to work. Only 15% of construction professionals were actually in favour of Brexit, which shows that the UK choosing leave will have a big impact on the industry. Therefore smaller businesses in particular like NBCC must ensure that staff are well motivated and happy at the company to ensure a good labour turnover, because the more staff that leave the more difficult they are to replace due to the recent circumstances.

brief judgement AF1

Lastly human resource planning is important because it leads to opportunities to a good quality culture. Quality culture is when the business meet standards of values and aims, therefore this cannot be achieved without a good, skilled workforce as well as well good management planning and strategic decisions. This is good for NBCC because it will help them stay competitive, as a good quality culture leads to customer satisfaction, a good reputation and the overall potential of profit. Their competitors such as the Kiers group and Morgan Sindall group also ensure of quality culture, as they have very extensive training schemes and a good set of values. Morgan Sindall in particular is a part of the 5% club, which means that 5% of the head count is apprentices and this is good for their quality culture, as it shows they provide good training and opportunities and they care about their employees. Overall the industry is very competitive and for NBCC to stay competitive they need HR so that the business is conducting good work and care for their employees in order to meet to customer needs effectively.

AF2

Good ref to own research AF 1/2

What are the key issues to be considered by NBCC to maintain its competitiveness and continuing success?

AF3 THE PROPOSAL

Training and development is good to an extent for a company because it could lead to issues of competitors stealing trained employees. This is called market failure. Therefore the NBCC has a very good and thorough training and development scheme, which helps them achieve the right skilled staff and meet customer needs. However for the company to stay competitive and to continue success they must maintain their low labour turnover. Therefore if the new board of directors decided to remove the majority of training and development

opportunities this might demotivate the current staff who are already very well trained and therefore they might move on to a company that offer more opportunities. This would have a really big impact on the company because with the skills shortage the company will not be able to find a better workforce and will most likely have to pay out extra money to train new recruits with less skills in order to get them to the correct standard of the company.

AF3

The NBCC must also bare in mind the extra costs that will come with Brexit, as the prices of imports will go up. Currently recorded in January 2018 the cost of imported construction materials has gone up by 5.8% and this has a major impact because the construction industry all heavily relies on the imports. This means that some of the money invested in training and development might have to be used to cover the increased costs because also due to Brexit banks have become more cautious with who they lend out money to. Overall NBCC must consider ways to cover these costs, because with increased costs means increased prices for customers, which means it is more difficult to stay competitive. HR planning need to focus on the impact Brexit has on the construction industry because if the business has no strategic planning the industry will be heavily affected like construction business did during the 2008 recession.

EBI - evidence?

Going off track at the end here.

AF3.

WWW

AF 1 } Both reasonable
 AF 2 } MB2 (5-6)
 AF 4 - clear structure with few errors - 5 marks MB3

EBI

AF3 - MB1 or 2? - MB2 possibly 4-5 marks?

~~AF4~~ - clear structure with

Key problems - too much time spent on the first section so the proposal was rushed + lacked clear structure + points. AF3 mostly lost.

AF1+2 - not clearly related to the house building industry complexity of trades, types of contracts / flexible working / importance of time scheduling / planning HR here

Final score ?

AF1-5 AF3-4
 AF2-5 AF4-5

19 / 44

PASS

