

MANPOWER AND SUCCESSION PLANNING
NEEDS WITHIN A MAJOR INDUSTRIAL AND
COMMERCIAL GROUP IN SOUTH AFRICA.

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Summary of Dissertation.

This dissertation analyses a major industrial and commercial group in South Africa in relation to its activities and level of performance in the fields of Manpower and Succession Planning.

The first aspect dealt with, is the history of the group, commencing from its incorporation in the country as a single company, and tracing its growth from this point to its present state as a multi-company, multi-divisional group, manufacturing and marketing a wide range of products. Certain causes of problems identified are shown to have their sources in the manning and administration of companies taken over during the growth period, which up to the present has covered some seven years.

The next focus of attention is aimed at the present activities of the group largely with regard to Manpower and Succession Planning, and the existing systems policies and procedures followed together with an indication of the persons within the organisation at present responsible for carrying out there existing activities.

The comment given discusses the operations down to divisional level, and shows what information systems, tuition support programmes etc., are in existence in the group, and the nature and level of inter-divisional liaison in Manpower and Succession Planning.

The normative theory is then investigated, in an attempt to identify a satisfactory approach to a theoretical solution for problems thought to be facing the group. The normative theory covers aspects of Manpower Planning, Manpower Programming, Inventory Compilation, Information Systems, Training and Development, Career Planning, Management by Objectives, Performance Standards and Performance Appraisal.

Consideration is given to the underlying needs for these activities, and their basic roles as component parts of a successful Manpower and Succession Planning System. In addition some thought is given to Ethnic Consideration, since it is felt that it will be essential in the medium term future, and from then as an on-going process, to make provision for similar planning and programming systems for the use, deployment, control and training of black labour.

A comparison is made between the normative theory approach proposed, and the activities and operations currently being performed under the existing situation in the group as identified previously. Areas of poor performance against theory have been recognised in relation to both group and divisional performance, and areas of required activities where no action is being taken have been identified also.

Finally, recommendations, based on the deficiency situation found, have been made, to indicate a course of action for the group to follow, and systems and procedures have been put forward for the group to follow covering the introduction of and manning for an overall Manpower and Succession Planning System, together with proposals for certain corrected and extended activities at divisional level. In addition some attempt has been made to demonstrate possible costs and financial benefits which could be expected as a result of the introduction of the recommendations.

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CHAPTER I

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CHAPTER I1.1 The Nature of the Present Organisation.

The organisation is made up of a group of companies with a wide spectrum of manufacturing, assembly and marketing operations, in a variety of products, covering steel, copper and plastics in content and extruding through general engineering plant assembly, structural steel work and related items, to specialised mine equipment, sheet metal products and foundry cast items.

Marketing and sales activities in the steel sector, which in the manufactured range is largely confined to tube, cover both wholesale and retail aspects. While the same considerations (both wholesale and retail) in respect of marketing and sales apply to both the copper and plastics products, the remainder of the products factored by the group of companies are marketed and sold on a retail basis; with bulk and trade discounts applying in the case of certain customer categories.

The Group of Companies at this point in time is divisionalised into four divisions as listed below:-

- 1) Tube making division (steel and copper tubing, special motor tubing, couplings and plastic products.)
- 2) Trading division (all retail outlets).
- 3) Foundries division (all foundry and casting activities).
4. Manufactured products division (All manufacturing other than foundry products, tube and steelwork).

1.1.1 The Tube Making Division consists of five companies whose various activities and products are listed below, not necessarily in order of size:-

Labour figures for this division are approximately as follows:

<u>European Staff</u> <u>(Monthly Paid)</u>	<u>European Staff</u> <u>(Hourly Paid)</u>	<u>Bantu</u>	<u>Coloured</u>
460	740	2 270	30

(1) The Steel Tube Making Operation. This is the single largest manufacturing element of the group and is responsible for production of all welded and seamless tube, tubular fittings, fabricated pipework and structural steelwork. This manufacturing facility is based in the Vaal Triangle, fairly close in proximity to its raw material source for the bulk of its products, which consists (the major portion that is) of seam welded steel tube processed by High Frequency Welding. The output of this unit is approximately 70% of the total value of the groups manufactured products. In turn about 80% of the total volume of the factory's output has its origin in welded tube.

(2) Motor and Refrigeration Tube Manufacture. This organisation manufactures and markets certain specialised small bore tube used in the motor and refrigeration industries. It is sited in the Border area of the Republic and was established there to take advantage of concessions to Border Industries under existing legislation. The operation is relatively small in terms of numbers of employees both Black and White, but growth and expansion of manufacturing facilities are both forecast for the future.

(3) Copper Tube Making. The facility concerned here, both makes and markets copper tube, the manufacturing process being by extrusion. The products are sold in the domestic, mining and industrial markets by means of both direct sales effected by this unit, and through the sales outlets controlled by the Group in various cities

and towns throughout the Republic, Rhodesia and Malawi. The plant is situated on the East Rand.

(4) Couplings Manufacture. Situated on the West Rand, this factory makes bolted type couplings in a wide range of sizes. These are marketed and sold both direct into the market via a small sales organisation attached to the production unit, or through the group retail sales outlets in the same way as copper tube mentioned above. This operation also is relatively small in terms of number of employees.

(5) Plastics. This unit manufactures Polyethylene and Poly Vinyl Chloride tube in standard sizes by the extrusion process and also produces other products in Plastics such as Baling twine, plastic strapping etc. Disposal of products is again done either through a sales staff attached to the producing unit or as before, through group outlets. It is situated in the Vaal Triangle and in common with most commodities made from plastics, has shown a rapid rate of growth during recent years. Once more the number of employees is relatively small.

1.1.2 The Trading Division. This division is the major marketing and selling organisation in the group. Sales, via this operation, are made entirely on a retail basis, although a discount system is in fact used on a differential customer basis, although a discount system is in fact used on a differential customer basis. The markets covered are those of tube of all the materials manufactured by the Tube Making Division, general engineering items, and all other products manufactured or handled on an agency basis by the group.

Originally the operating structure of this division was such that a geographical and product divisionalisation existed. The various companies within the group were controlled each by a Head Office and administrative staff with each of the companies handling certain of the products. This was further divisionalised in some cases by geographical areas, or regions. This however proved both cumbersome and expensive, and as a result the various head office structures were dismantled and the whole group organisational structure revised, and the structure now in existence is entirely geographical in division. The geographic divisions are now Eastern (covering the coastal areas of Natal and the Cape Province as far south as East London), Western (covering the balance of the coastal areas of the Cape Province, part of the Karroo and South West Africa), Central (covering the balance of the Karroo, the Orange Free State, Griqualand West and the North Eastern Cape) and Northern (covering the whole of the Transvaal, Lesotho and Swaziland). In addition, Rhodesia is treated as a separate region since it is in fact incorporated as a separate company, and further controls the operation in Malawi. The Rhodesian operation further has a steel tube making facility of its own and also markets and sells the full range of group products and agencies in the Central African area.

Sales Branches are maintained in all cities and major towns and a number of smaller centres by the trading division, in an effort to ensure maximum market penetration.

The employment figure for this division as an average is given below:-

<u>European Staff</u> <u>(Monthly Paid)</u>	<u>European Labour</u> <u>(Hourly Paid)</u>	<u>Bantu</u>	<u>Coloured</u>
1 440	60	2 210	291

1.1.3 The Foundries Division. This is a newly constituted division and controls all the foundry operations within the group. The foundries controlled are four in number of which three are situated on the East Rand and produce as follows: One unit mass- produces malleable iron castings, one produces Mechanite (a special form of cast iron and in this case used for sluice valve manufacture in all sizes), while the third foundry produces chain and does general production casting work. The fourth foundry is situated in the Vaal Triangle and the main outputs are Grey Iron and Spheroidal Graphite Iron. Production at this foundry is on a small batch and jobbing basis.

As this is a newly constituted division, separate labour figures for the foundries and Manufactured Products Division are not as yet available. For this reason, the figures given here cover the total labour force in these two divisions (Foundries and Manufactured Products) combined. Generally the levels would be:-

<u>European Staff</u> <u>(Monthly Paid)</u>	<u>European Labour</u> <u>(Hourly Paid)</u>	<u>Bantu</u>	<u>Coloured</u>
510	610	3 200	200

1.1.4 The Manufacturing Division. This division controls all other manufacturing activities within the group, ranging from internal combustion engine (industrial type) through sheet metal fabrication, specialised mine equipment and ventilation equipment to centrifugal pump manufacture. The various manufacturing facilities are for the most part spread over the Reef complex of South Africa.

1.1.5 Summary. The group as presently constituted consists of some 30 plus subsidiary companies.

The turnover during the financial year 1st October 1973 to 30th September 1974 is estimated to be in the region of R170 000 000 plus. The growth of the group has been rapid in recent years (since 1969) and in order to determine the origin of the management succession problems currently facing it, it will be necessary to trace the steps in the group growth from its origin to its present size, and then to consider past Manpower Training and Development activities and Promotion Policies over the period of existence of the group.

1.2 Origin of the Group

In 1903 a sales organisation was formed in South Africa to provide an export market and overseas sales outlet for the products of the parent company in the United Kingdom. In addition, certain other closely allied products made by other British manufacturers were marketed on an agency basis, in the major centres of South Africa. It is at this point that the company history begins.

From 1903 to 1927, the sales organisation was controlled from a Head Office situated in Johannesburg. After 1927, with the commencement of manufacture in South Africa of steel tube by the company, the Head Office was moved to the Vaal Triangle where the factory was also situated.

1.2.1 The Growth from 1903 - 1939. Starting with the company formation in 1903, the network of sales outlets was gradually extended and after some years the decision was made to enter the market of irrigation engineering to enlarge the share of available business for the parent company's products.

In 1927, local manufacture of some products was started with the setting up of a facility for making steel tube of the seamless type by means of push benches, the input raw material being hot, pierced billet. This undertaking was both successful technically and profitable, and expansion of manufacturing capacity was carried out in 1935 and again in 1937.

During this period the sales organisation extended and the company's operations moved into both the Rhodesian (Northern and Southern) as well as into the smaller centres in South Africa. In 1933 the company acquired ownership of the Scottish Tube Company operations in South Africa.

- 1.2.2 The Growth 1939 - 1945. World War II saw a period of very rapid growth: of the manufacturing capabilities of the enterprise, and despite the allocation of a large part of the plant capacity being devoted to war munitions and strategic materials, such as shell casings, other products came into the range of manufacture due to major reduction in imports caused by the emergencies of war. These additional products were at that stage mainly of interest to the agricultural sector of the economy being such items as valves, windmills for water pumping, centrifugal pumps etc.

A foundry (referred to in 1.1.3) was opened in 1943 and again, although a large part of the output was channelled into production of munitions and strategic castings, this addition to production capability proved most beneficial in every respect to the company's operations.

- 1.2.3 The Growth 1946 - 1969. In the post war period, growth in the late 1940's to mid 1950's was fast, due both to manufacturing capacities expanded

by war production, and the swing in South Africa towards industrialisation, which, caused partly by the introduction of import control in 1948 gave impetus to the requirements of products made and sold by the company. With the expertise gained by making a much wider range of products, and the high demand for these items, came a rapid expansion in the marketing and selling activities of the company.

During this period a factory was opened in the Midlands of Southern Rhodesia to make seamless tube, also by the push bench and hot billet method.

Additional general engineering agencies were sought and obtained from overseas principals, and as a result of this shift in the nature of the company's activities to products requiring certain technical expertise in factoring the goods, the emphasis on staff recruitment policy moved towards employing staff, particularly in sales, with a technical or semi-technical background, and to some extent away from the previous stress on sales staff with a mainly commercial ability.

As a result, in 1948, a training scheme for trainee salesmen recruited direct from school leaving with matriculation standard, was started. The training was largely on-the-job in nature, with additional theoretical training being provided by technical colleges in appropriate subjects. This training scheme covered both the technical and commercial fields of the company's operation, and was later extended to some extent into the accounting side of the operation.

In 1961 a bursary scheme was introduced, and selected young men were sent to university to

study technical and commercial degrees according to individual aptitude and interest. Wastage from both schemes has been fairly high, both during training and after completion of the courses.

In 1951 came the installation of the first seam welded tube mill making tube from steel strip. This expansion was followed in 1958 by the purchase of one of the company's competitors with a similar facility for making light gauge steel tube mainly for the furniture market. In 1961, a larger seam welded steel tube mill was commissioned and the company growth continued steadily.

Throughout the company history up to 1961, all personnel matters had been handled by the Company Secretary's Office and no management training or development programmes were in operation, nor was there any activity to introduce these features. This appears to have been a feature common to most enterprises in South Africa during this time.

At this stage, under the organisational structure which existed, all managers reported to the company managing director, and the only contact between managers, took place at management conferences or re-union meetings. These were called fairly in-frequently at three or four year intervals.

Following on the appointment in 1961 of a Personnel Manager, and the introduction of a Personnel Department, the responsibility for personnel training and development became the responsibility of this service department.

At the same time the company was re-organised and the structure became one of geographical division with the various branch managers in each region reporting to a regional manager who in turn reported to the managing director.

Apart from the change in organisation structure, the company changed very little in respect of products made and sold, and steady growth during this period is the only other feature worthy of remark.

- 1.2.4 The Growth 1969 to Present Day. This period has seen a major expansion of the activities of the company through purchases and take-overs of other organisations, mainly with synergy in view. As a result of these actions the original company has expanded and has now in fact become a group of companies which is today a major industrial and business force.

This policy of rapid expansion started in 1969 with the purchase by means of share exchange of a general engineering sales company with a number of smaller subsidiary companies involved in the manufacture and sales of specialised mine equipment, sheet metal fabrication, ventilation equipment and centrifugal pumps.

This was followed in 1970 with the take-over of a steel merchanting enterprise and a company marketing plumbing supplies. Also during 1970 a valve making enterprise was absorbed into the group (this company has been mentioned in 1.1.3 as a portion of the foundry division) and further, in conjunction with a major external company, copper tube making interests were merged, and a company was formed for this purpose. This company has been described in 1.1.1 under item (3).

In 1971 a large malleable iron foundry was bought as a going concern. (This operation is referred to in 1.1.3); in 1973 a hardware business in the Eastern Province was bought and in 1974 the purchase and take-over of a further foundry for chain making and general purpose casting (mentioned in 1.1.3) was concluded.

Furthermore, during this period, as a result of rationalisation of shareholdings, and manufacturing capacities, in three major steel and engineering groups, of which the group under consideration was one, a holding company was formed to pool certain common interests and rationalise the operations between these three groups. As a result of this, the group gained possession of further manufacturing facilities for making seam welded steel tube.

As previously stated, until mid-1972 the group ran as a series of independently operated and administered companies, but at that point the organisation structure was revised and first product divisionalisation and then geographic divisionalisation of the trading operation was effected. This move streamlined the company operation considerably and at the same time advantage in economy of operating costs was achieved.

This structural re-organisation led to decentralisation of some service departments such as Accounting and Personnel, with a specialist manager in each function attached to each region with a line responsibility to the head of the central service department at the head office.

The group has rapidly extended and expanded its activities and is continuing to do so. As a result of this, there have been a number of fairly frequent changes in the organisation structure, since the period of commencement of rapid group enlargement. This has given rise to some serious problems in all managerial levels, from senior management down to supervisory within the group.

1.3 Consideration of Problem Areas.

At present, one of the biggest problems facing the group is the need for skilled management at all levels, i.e. management which is correctly and adequately trained, and is of a sufficiently high quality. The demand is high due, among other reasons, to a fairly lengthy list of retirements due in the short term future (0 - 5 years from now).

The supply of replacements appears limited, and there is apparently a large "internal deficit". This term is used by Burack E.H., Strategies for Manpower Planning and Programming to describe particular positions or manpower categories considered highly unlikely to be filled from internal group sources.

There are a number of other factors which contribute either largely or to some degree more minor to the present difficult situation in regard to management succession. These will be considered separately in the following sections.

1.3.1 The Rapid Post War Growth. As stated in 1.2.3, from the late 1940's to the mid-1950's the group experienced rapid growth from additional manufacturing capacity installed during the war, and the exploitation of expertise acquired during that time. However the same applied to other sections of the South African manufacturing economy, and the country as a whole was making rapid strides in industrialisation with the production of goods of all kinds for home consumption.

This factor, coupled with the change in emphasis on the type of skills required by the company, placed them in a situation of competing in the labour market for people equipped with the appropriate required skills. Inevitably (and this is not unique to the group) a fair proportion of the staff recruited to meet expansion

needs were people without a very high degree of management potential, although adequate in the lower echelon of business operation. Further at that stage, the company in common with most business enterprises in South Africa did not concern itself with training and development of people to any degree, as previously stated.

In addition the company image at that stage of its development was one of a relatively conservative and staid organisation which, although looking for growth, tended to be adaptive rather than innovative as far as its environment was concerned.

Factors contributing to this image were (1) a somewhat autocratic control exercised by the Company Chairman with its consequent reduction in exercise of initiative and judgement by the other top executives and (2) the fact that for the greater part of the year, the chairman was controlling the organisation by proxy, as he based his operations in the United Kingdom by reasons of directoral duties in the parent company. Autocratic control plus the remoteness of this control it appears combined to produce a highly conservative and adaptive organisation.

It is possible that as a result of these organisational characteristics or organisational culture*, people with management potential tended to drift away and search for better opportunities in organisations with a more entrepreneurial approach at that time.

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Note: *Culture can be defined ... "as a way of life of a people ... the sum of the learned behavioural patterns, attitudes and material things" (Prof. A.T. Morkel U.N.I.S.A.). In this context the expression "organisational culture" is intended to convey the projection or the organisation of the personalities, convictions and concepts of the top management of the company construed in the light of company policies and procedures.

Strengthening this possibility is the fact that at that time recruitment was aimed mainly at relatively young people who in many cases were actively seeking opportunity for advancement. It is definite that in the period under review and up to the end of the 1950's staff turnover was relatively high (approximately 12% per annum) and a number of people of good and fair potential left the company.

- 1.3.2 Promotion Policy (Past). During the period of rapid expansion commented on in 1.3.1, a number of additional branches and departments were opened. With the opening of these additional operations came a demand for managerial staff to control and administer them. When the problem arose of where these additional managers and administrators were to be found, circumstances, and necessity to a large extent, forced a policy of promotion from within the ranks of longer service employees. This problem of course faced all other organisations in South Africa that were expanding at that time, due to the expansion and industrialisation of the economy.

The difficulty however, was that in adopting this solution, it was, to a large extent, not possible to be highly selective regarding managerial skills, ability - potential for the longer term future. Furthermore this course of action was to some extent a forced choice, since a major consideration was the need for control embodying a certain degree of background knowledge of the company, its product and how it operated. Viewed in retrospect, some of the promotions to managerial rank were not well made and the result to some extent was mediocrity in management. It is, however, difficult to see what other course could have been adopted when it is borne in mind, that professional

management and sound managerial selection and training were in their infancy in South Africa at that time. The problem appears to be that mediocrity in management tended to perpetuate itself and the result was a further loss of possible high management potential junior employees, as a result of build up of frustration in their search for advancement. It must be noted here that the causes and effects commented on above effected all levels of management from lowest supervisory upwards.

Furthermore during this time of rapid growth, promotability was to a large extent based on considerations of seniority (length of service) rather than considerations of ability - potential growth in candidates for promotion. With increasing knowledge and understanding of good management concepts, this practice has largely disappeared, but strangulation of initiative did result from this policy, and the effects to some extent are still being felt in certain areas within the organisation.

1.3.3 Manpower Development and Training Policy. The comment was made in 1.2.3, that in 1948 a training scheme was started for sales trainees recruited from school leavers. For a number of years, this was the only training scheme of any kind operated within the company, other than of on-the-job training type programmes for factory personnel in the form of safety courses etc. It was not until the formation of a Personnel Department in 1961 that any thought was given to extending training beyond the intake annually of matriculants. At this time moves were made to introduce higher level training.

In 1963 a sales training programme for all staff directly concerned with sales was started and carried through all levels of the company and, in fact, this programme is still in operation

as part of the induction course for new employees. It is now run in conjunction with product knowledge courses in familiarisation with group policies and procedures.

In 1965 came the first real attempt at management training with the introduction of a Louis A. Allen Management Training Programme. This programme was introduced to various management levels, from top management down to superintendent but was not carried below that to the foreman and supervisory levels. This course also is still in operation, but there has been a lack of evaluation of post course influence on people attending, and also since this is the only training course in management pursued, when viewed in isolation can only be considered doubtful, since there has been no extension of this course into more detailed and sophisticated management techniques and concepts. A further disadvantage is the apparently entirely American orientation of this course, and the need to modify and adapt a good part of the course to suit South African conditions and the management climate within the organisation. An Advanced Management Planning and Control Course from the same source was used for a period, but appears now to have fallen into disuse.

In 1969, an in-company Managerial Grid Course (Blake and Mouton) was started and is still being used periodically in certain sections of the group. These sections of the group have claimed considerable success and realisation of management potential by participants in the grid. However this is a moot point, since Blake and Mouton do not favour syndicate formation from among people in the same organisation and department drawn from differing levels of authority and responsibility.

The feeling appears to be that distortions can occur in the interactive pattern. In addition, Blum and Naylor (1968 p.433) have stated that there is some doubt about the validity of assumptions by Blake and Mouton in the evaluations of results obtained from the grid.

A number of other management training courses have been tried from time to time, generally presented by external management consulting groups, varying in approach and content. These have also fallen away and while no clear reason for this can be ascertained, it is probable that doubts have arisen regarding the eventual effectiveness of these programmes. —

1.3.4 Manning of Take-overs. In 1.2.4, reference was made to a number of acquisitions or take-overs by the group during the period of rapid expansion between 1969 and the present date. It is unfortunately indisputable that, in a good number of cases, the companies acquired suffered (to a greater or lesser degree) from either poor or elderly management. Some of the companies acquired had previously been direct subsidiaries of overseas parent companies and in three cases, this state of affairs was very marked. This state of affairs had largely arisen as a result of a policy of maximum possible profits in value being returned to the parent company; with the resulting consequent effects of stifling growth and initiative.

A state of virtual stagnation in these organisations ensued and correspondingly, the quality of management, and in fact general manning of these companies deteriorated badly as a result of apparent de-motivation of staff. Rapid action became necessary to prevent a further decay in performance and it was vital to inject new life into these organisations. The solution lay in management replacement on a fairly large scale, and in fact in the course of three years, fifteen

transfers of senior and middle management were made from the parent company of the group to subsidiary organisations. It is also clear that due to the pressures during this period, these moves were made on a "fire-fighting" basis under which areas needing urgent attention were corrected. Under these circumstances, it was difficult to follow any really systematic policy of staffing in the higher levels. A further aggravating feature was the loss due to retirement during the same period of eight top and middle level managers, placing a strain on existing management in the parent company of the group.

The replacement of management in the subsidiaries has been successful in the context of group performance, but in the process of rebuilding the subsidiaries, the group has to some extent "bled itself white" to supply the needed people. The drain in management potential has been severe, and while in the short term, the problem has been solved, the long term outlook does not appear good, as there is a lack of identification of, and future training for management as a whole.

A full scale management succession plan does not at the moment appear to be in operation, and it is clearly the major lacking feature. This will be discussed further in the next section.

1.3.5 Lack of Full Scale Management Succession Plan.

After the formation of the Personnel Department, efforts were made between 1962 and 1969 to introduce a Management Succession Plan. This was partly successful, but never reached full scope, and was severely hampered since it was largely based on pre-recruitment qualifications together with a limited amount of aptitude displayed on

the job. Further, at this stage performance appraisals formally done, were limited in extent. The final factor limiting the effectiveness of the plan was the absence of a definite and comprehensive management development and training plan, and a good manpower inventory data base.

The acquisition and take-over period with its consequences of supplying management to subsidiaries on a basis which can be regarded as "reaction management" (Burack ibid p.30) finally caused the collapse of the embryo succession plan, since almost all of the potential management succession candidates were removed from the parent company to meet the emergencies which had arisen:

While efforts are being made now to revive and re-institute a management succession plan, the situation presently appears in fact, to be one of re-action to changing conditions instead of anticipating them, and adjustment to crisis. Also absent, is strategic planning for the future from from which forecasts can be made of coming obsolescence in certain operations together with growth and expansion in other operations, are providing spare or surplus management, and the other demanding additional management which could possibly be got by retraining managers from areas of forecast obsolescence.

Problems hindering the re-implementation and extension of manpower planning, are the recent and very rapid growth in size of the group, with consequent heavy attention to relatively short term manning problems of immediate consequence and the heavy demand on the services of the Personnel Department which has not increased proportionately in size of staff as compared with a big increase in the number of people

which they now have to service. At present it appears difficult to devote time or personnel to tackle this problem, which can have serious long term consequences for the group unless remedial action of a comprehensive nature is started now.

- 1.3.6 Summary of Problem Areas. The problem areas identified in 1.3.1 and 1.3.2 are disappearing with the passage of time although some of the effects of these policies are still perceptible. The immediate problem appears to be in the areas of Manpower Training, Planning and Programming with particular emphasis on the various levels of future management requirements.

The major deficiency areas appear to be a lack of suitable training and development schemes as a first priority with manpower inventory data bases, and succession plans being built up from these initial requirements. It would in fact be possible to commence with compilation of a manpower inventory based from present available personnel details, providing a list of current qualifications and aptitudes from personality profile tests which have been fairly fully undertaken.

In view of the number of people who would be covered in the Manpower Inventory Data Base, it is probable that computerisation would have to be considered, both from the data storage output and further to save time and effort in search and identification processes.

However, before theory can be discussed, and recommendations made, a more detailed look at the existing situation is necessary, with specific reference to the systems currently in use for capturing and storing data relating to employees. The systems will be studied in the next chapter.

CHAPTER II

- 2.1 GENERAL.
- 2.2 THE PERSONAL DETAILS FILE.
- 2.3 THE COMPUTERISED INFORMATION FILE.
- 2.4 APPRAISAL INFORMATION.
- 2.5 RESPONSIBILITY FOR MAINTENANCE AND UPDATING OF FILES.
- 2.6 UTILISATION OF RECORDED DATA.
- 2.7 SELF DEVELOPMENT FACILITIES.
- 2.8 BLACK TRAINING AND DEVELOPMENT.
- 2.9 PROMOTION POLICY (PRESENT).
- 2.10 COMMENTS ON DEFICIENCIES.
 - 2.10.1 Considerations of Planning and Forecasting.
 - 2.10.2 Conclusion.

CHAPTER II2.1 General

The existing situation in the group will now be considered with regard to Manpower and Succession Planning activities currently in use. Further thought will be given to the workability of these systems at the end of the chapter in Section 2.10 where comments and conclusions on deficiencies will be given. This approach is intended to provide some preliminary view of what appears to be lacking in the present systems and the approach currently made to the problem of planning for manpower and succession for the future. Discussion of with whom the responsibility lies for conducting current activities will also be provided and it is hoped that this chapter will indicate the need for a consideration of normative theory and the necessity for an analysis of this theory in relation to existing practice in the group, in later chapters.

2.2 The Personal Detail Files.

These files carry the personal details of each salaried employee in the group which are obtained from the employee on induction and are updated to provide a current record of all personal details of relevance to the group. These files are thus, or should be, in a continuous process of amendment where changes occur in the status of any of the details under the listed headings, which are tabulated below:-

NAME:	CHRISTIAN NAMES:
DATE OF BIRTH:	MARITAL STATUS:
NO. OF CHILDREN:	DEPT. WHERE EMPLOYED:
OCCUPATION:	DATE OF ENGAGEMENT:
NEXT OF KIN:	RETIRAL DATE:
EDUCATION LEVEL ATTAINED:	EXPERIENCE PRIOR TO ENGAGEMENT:
IN COMPANY EXPERIENCE:	
COMMENT ON PROMOTABILITY AND MOBILITY:	

Certain of these details require closer definitions for full understanding, notably "In Company Experience" and comment on Promotability and Mobility. The first of these provides full details of all service within the group, with the results of all previous Merit Appraisals or Evaluations which have been conducted up to the present date, together with any additional comment made which is relevant to the employee's conduct.

Under the listing "Comments on Promotability and Mobility" appears information based in the main on subjective assessments by the superior on the employee under consideration of his potential for growth and advancement within the group in either his present post, or in another field of activities, together with the results of discussions with the employee concerned on his willingness or otherwise to accept transfers in the geographical sense involving domestic movement, or change of domicile from one country to another.

It is stated that copies of the appropriate sections of these files are held at regional and branch offices by the managers of these operations, and that a Master Divisional File covering the whole division in each case is held at divisional level by the Divisional Personnel Manager. It does not appear however that a centralised master file is held at group headquarters to provide an overall summary of the details of employees. Within the division, it appears that these files are used as the source of information for replacement of staff and arrangement at the lower levels of management for Management Succession, but there does not seem to be any formalised plan generally held, to obviate a laborious physical search for potential replacements for vacant posts.

In the event of physical search through the files failing to disclose a suitable candidate for a vacant post, it appears that an internal deficit within the division

is identified, and that informal contact with other divisional personnel managers is then conducted with a request for search for an acceptable person available within their divisions, who could perhaps be transferred and promoted on an intra-divisional basis.

As stated, these files are not centralised on a group basis, and it would seem that the only centralised file in operation is the "Computerised Information File" which will be dealt with in the next sub-section.

2.3 Computerised Information File.

This file in effect appears to contain all centralised employee data which are both available and current. The data in this file are processed through an in-house computer and held available for use immediately. In a number of respects, the data contained in this file are similar to that held in the Personal Details File, but there are additional details included. The headings in this file are listed below as an illustration:

EMPLOYEE NO.:	NAME:
SEX:	RACE:
MARITAL STATUS:	SALARY GROUP:
OCCUPATION:	AGE:
DATE JOINED SERVICE:	EDUCATION:
PREVIOUS 3-YR. INCREMENTS:	PRESENT SALARY:
MERIT RATING:	RECOMMENDED INCREASE:
REGRADING IF REQUIRED:	COMMENTS:

As can be seen, certain of the data in the Personal Details File are duplicated here, but again some of the headings in this file need further elucidation, notably "Salary Group, Education, Merit Rating, Regrading if Required and Comments".

The Salary Group rating appears to be based on the Peromnes Evaluation Chart and covers Grades 1 to 10 in this case, with 1 being the most senior and 10 being the most junior. Educational Details are stated to be obtained from the Personal Details File and it is claimed that these are updated at the same time in both files, on information transmitted from the divisions.

The Merit Rating particulars apply only to the latest rating and these are derived, it appears, annually from Performance Appraisals and Evaluations which are carried out for the purpose of determining salary increments. For this purpose it seems a grading scale of 1 to 5 is used with assessment of performance increasing with numerical value - 1 (Poor) to 5 (Superior). "Regrading if required" is utilised in the event of job enrichment, job enlargement or Promotion justifying payment of salary higher in grade than that previously occupied, thereby necessitating a revision of grade. Data given under "Comments" would cover the background to and reasons for the Merit Rating given to the person concerned after Appraisal and Evaluation.

The contents of this file appear to be concerned primarily with historical information regarding remuneration, together with the present evaluation of the employee in his present post as viewed by his supervisor. No real information regarding potential appears in this file, although this does exist to some extent in the Personal Details File previously discussed, nor is any information on Appraisals apparently listed in this file.

2.4 Appraisal Information.

The collection systems for Performance Evaluation and Appraisal Information appears to vary from Division to Division both as regards formality, and in the character of the forms used for tabulating the information concerned.

In the Tube Manufacturing Division, a form (see Appendix I) is used which lists the information contained in the Computerised Information File, and in addition comments on changes, since the last review, in such aspects as significant alterations in responsibility, accountability, performance, skills, interests, vocational goals of employees (both immediate and long term), strengths and limitations. Further comment is made in respect of the last two points on the possible reinforcement of strengths and the reduction of limitations or

weak points through judicious use of inhouse training courses to increase the employees potential. In addition on this Appraisal Form, some thought is given to Succession Planning also, in-so-far as potential successors to the employee appraised should be listed if any are available.

This form is used by all supervisors commenting on their subordinates from General Manager level, down to Superintendent. No use, however, appears to be made of Management by Objectives techniques, nor in the majority of cases does it seem that counselling of subordinates is done by the supervisor after completion of appraisal, in an effort to provide both encouragement and advice. It would seem that this feature is caused by the particular management style in this division. In the Trading Division with the exception of the Eastern and Western regions, two forms are used, one of which covers much the same area and detail found in the form used in the Tube Manufacturing Division. An exception, however, that this form (see Appendix 2) makes, is that no potential successors are listed for the employee concerned. The second form (see Appendix 3) is essentially a Management by Objectives and Review Sheet with the normal appraisal of achievements measured against the yardstick of objectives agreed between supervisor and subordinate. In the Eastern and Western Regions, appraisals appear to be done on a rather informal basis, but it is interesting to note that in the Central region, formality extended to the point of the subordinate signing the review conducted on him by his supervisor. This, however, appears to have been dropped due to opposition from a number of quarters. The extent of counselling sessions in this division has been difficult to determine, but it appears that in the Eastern and Western regions, little or no counselling occurs, while in the Central and Northern regions and in Rhodesia, counselling sessions are fairly common, but would seem to some extent to depend on the managerial style of the branch manager concerned in

each case. It must be borne in mind that there are a large number of trading outlets each with its individual manager in each of the regions and that the approach by each manager varies.

The Foundries Division makes use of the form shown in Appendix 2 and further extend this into performance counselling of the subordinate throughout the division. Further, Management Succession Planning is in the process of being implemented for the lower levels of management and in fact data collected has already been used as far as possible for promotion and succession, but only within the division itself. Solution of an internal deficit is still resolved it seems by the rather informal arrangement referred to in 2.2. One further aspect of this division's activity in the content of Manpower planning is the fact that newly inducted employees are screened carefully after initial training periods in an attempt to identify more surely those people with possible high potential for the future in more senior posts. What tests or standards of measurement are used for this purpose, it has unfortunately not been possible to determine, but it is claimed that this search is made as an on-going process.

The Manufactured Products Division carry out the annual Performance Appraisal for salary review purposes, but there appears to be no search in this division for potential succession candidates, nor does there seem to be any degree of performance counselling. Once more it appears that this would be largely a question of management style.

- 2.5 Responsibility for Maintenance and Updating of Files. Since the responsibility for maintaining and updating the files referred to in 2.2 and 2.3 is the responsibility of the Personnel Department, it would be advisable to consider the structure and functioning of this department. The Personnel Managers in each division and region have a line responsibility to their appropriate line manager in that region or

division, and at the same time have a functional responsibility to the Group Personnel Manager. The only exception to this is the Rhodesian operation.

At present, in the tube making division, the major manufacturing facility (the steel tube making operation) is served by a small Personnel unit under the control of a Personnel Manager who further is responsible for personnel matters affecting the Plastics Division. In addition to this, in this operation, is a Black Training and Development unit which will be commented on in detail in sub-section 2.8.

The other elements of this division are handled by the Personnel Manager responsible for the Foundries and Manufactured Products Division. In the Training Division, the personnel function in the Central, Western and Eastern Regions is supervised by the Divisional Personnel Manager himself, but the Northern region is handled by a Personnel Manager. The need for this structure in the Trading Division appears to arise from the high concentration of trading outlets in Transvaal, and consequent higher manning figures relative to the other regions of the Trading Division.

The Rhodesian and Malawian operations are at present the responsibility of the Group Personnel Manager personally. This is possibly a temporary state of affairs resulting from a time lag in the assumption of post by the new Manager for Training and Development whose predecessor (now Divisional Marketing Manager, Trading Division) handled the personnel affairs of these areas as an extension to his other duties.

Not only does the responsibility for maintenance and updating of the Personal Details and Computerised Information Files lie with the Personnel Department, but it also is their responsibility to obtain the initial data when an employee is engaged. Thus they are responsible for the transmission of both personal information obtained on employment and revisions to the Management Services operation for computerisation and

storage, where the information affects the Computerised Information File. Similarly the responsibility is theirs to ensure that the Personal Details Files held by the division are correctly originated and maintained in an up to date condition.

2.6 Utilisation of Recorded Data.

It appears that the data captured in the files referred to in sub-sections 2.2 and 2.3 would have a limited value in the present circumstances for planning for future manpower and succession needs. A degree of informality seems to exist in the planning based on this data, and it is only in two areas of the group apparently that an attempt is made to base any form of planning, as far as Manpower and Succession are concerned, on the details collected and stored. Other than these two divisions it does not appear as if any major effort is made to utilise these files for any purpose relevant to Manpower and Succession Planning.

2.7 Self Development Facilities.

An important aspect of Manpower Management and Development is that of self development by employees, through private study available in a wide range of descriptions, and it is indisputable that many people who wish to study, the better to equip themselves for advancement in their careers, find themselves handicapped due to the cost both in time and money of courses of study which they wish to pursue.

The group does make available to employees financial help in the form of loans repayable over a period of a year, the loan being interest free provided the course of study is approved by top management. In addition to this, for successful completion of an approved course of study, an ex gratia sum equal to the costs of the whole course is paid provided this amount does not exceed R250 which is the ceiling figure paid, regardless of the cost total. This stipulation applies

to all degrees obtained extra-murally from universities also. With this ex gratia payment is a contract binding the recipient to the group's service for a period of 3 years. In the event of the employee leaving the group during this contract period, a pro-rata portion of the grant has to be repaid, the part to be repaid depending on the unexpired contract period. The pro-rata repayment basis is as follows:-

Resignation within the first year of contract entails full repayment.

Resignation between year 1 and 2 requires 50% repayment.

Resignation between years 2 and 3 the sum repaid has to be 25% of the amount received.

No assistance is given towards the cost of prescribed books, other than the interest free loans available, although in some cases it is possible to borrow books from the group's library which is fairly comprehensive in a variety of disciplines. There is one further possible financial benefit, in that staff who successfully complete a course of study which has been approved by the Group Managing Director and are under age 45 on commencing the course of study may be awarded a 5% increase in salary at the Group Managing Director's discretion.

Leave granted for study purposes covers only the day of examination and the day prior thereto. Apart from this, no study leave, travelling time, or allowance of any sort is made to students who may be committed to attending lectures, study schools or any other activities demanded by their studies.

No form of assistance, other than repayable loans is available for staff over age 45 commencing voluntary self educational courses, nor is there any offer of a salary increase to them if successful.

2.8 Black Training and Development.

Although training and development for Black employees has been operating for a number of years, this, in

effect, is confined to the steel tube making operation in the Tube Manufacturing Division, and until fairly recently, this training was directed at the lower grades of labour previously categorised for the Black population.

Recent Legislation, however, has made it now possible to utilise Black labour in a number of very much higher categories that were previously only open to Whites with certain specially developed skills such as tool setting, welding etc. The more advanced training now supplied by the group is therefore aimed in the first instance at achieving a level of competence of that of a skilled workman and provides a broad base of knowledge covering skills allied to the specialisation primarily being developed. The selection of Black employees for this training is based on intelligence, educational level and certain personality tests to ensure that the best quality possible of available people is trained. From the ranks of these trainees, further selection is made at an advanced level by means of additional testing to select the most intelligent and competent persons for higher level training for use as assistant instructors in training their fellow Black workers.

At present this represents the point to which training has been carried, but the intention is stated that a further screening process will be developed to seek higher potential again for training in lower level (foreman type) management responsibilities aimed at placing the fully trained Black worker in complete control of a section. In this post, he would be responsible and accountable for production performance, efficiency of production, stoppages and operating costs of his section or department which would be entirely manned by Black labour.

Training for these posts would be of an in-house nature and the courses would be led by suitably trained

instructors qualified in the various disciplines needed to teach the skills required for control and administration. The training provided will, it is hoped, be graded to meet the requirements of the various levels of management which it is anticipated will open progressively to Black employees, and, furthermore, it will be aimed at increasing individual capabilities with allowances and adjustments made for individual characteristics and varying aspects of personality, rather than a generalised and stereotyped form of training. Basically, it is hoped to use a behaviour modelling approach which will be designed to increase the behaviour repertoire of the trainees Black manager rather than to change his basic managerial style.

It is hoped that ultimately the bulk, at least, of the instructors will also be black and concentrated training and recruitment is to be directed at this area. It is further regarded as essential that total familiarity with both the subjects taught and the working environment of the trainees is achieved by these instructors.

In addition to the above-mentioned training in certain specialised skills, clerical training courses are currently in operation to service certain of the more junior clerical functions within the facility, and once again careful screening and selection is carried out to ensure a satisfactory quality of labour being obtained. There is at present no plan for training any of the clerical workers for managerial posts at a later date, as it is felt that among the paramount needs for Black managerial knowledge, is a full understanding of the manufacturing processes and the manufacturing environment.

As yet, in this area of Black Training and Development, there is no formalised Management Succession Planning, since the training and development aspects are still in their infancy. However, with the commencement of Manpower Planning in this area, it is possible that as the manpower training aspect is developed, a formalised scheme for Black succession planning could also

be introduced to ensure continuity of this vital aspect of the labour force in the group.

2.9 Promotion Policy (Present)

When considering this area, promotion by seniority has disappeared as a facet of the present Promotion Policy. Certain signs of nepotism still appear to be in existence, but these are only to be expected, in circumstances where the subjective judgement and personal prejudices of managers play a part in the acceptance or rejection of personnel recommended for further training or promotion. It is inevitable, in any event, that where two or more possible and equally suitable candidates are available to fill a vacant post, higher acceptability of one candidate for whatever reason in the personal preference of the supervisor will possibly be the final deciding factor determining the selection. Nepotism, however, per se is dwindling under the impact and implementation of more modern concepts of management.

Statements collected from senior management within the group, have indicated that for all levels of management below that of General Manager (Division Managerial Level) a formalised Management Succession Plan and an Organisation Long Range Personnel Utilisation Plan are in operation. It would appear, however, from the preceding sub-sections of this chapter that these at best can only exist in embryonic form since the bulk of the information on which these plans could be based in fact, seems to be held at Divisional Level by the various Personnel Managers, and does not appear to be transmitted to any centralised data recording and storage system.

The Promotion Policy to General Manager level and above has been clearly stated as being largely based on subjective judgement made by corporate level management, of the abilities and proven skills on the part of possible candidates over a wide spectrum or requirements for a post at this level, together with evaluations of the track records of the candidates concerned. In

addition, considerable attention is paid to the assessment of the ability of the candidates to adjust successfully to a new external environment mainly in the form of a different business and social community in the vacant General Managerial post.

2.10 Comments on Deficiencies.

Before passing to considerations of normative theory, certain deficiencies appear to exist in the present situation and style of operation. Identification of these shortcomings will be attempted in the balance of this sub-section.

2.10.1 Considerations of Planning and Forecasting.

Worthy of mention at this time, are aspects of planning and forecasting on which comment has been made by senior management. Strategic Planning, it has been stated, does not currently form part of the group's activities, and although Long Range Planning is carried out, it appears that the major emphasis and orientation here is financial in nature, with little or no extension apparently into Manpower Forecasting for future manning needs, nor does it seem that any great attention is given to future Manpower Development and Training needs. The lack of strategic planning will inhibit badly such things as identification of products and operations entering the stage of obsolescence, or areas of future growth with new products and processes. Advance warning of these events would make it possible to anticipate future redundancy of manpower and management in certain areas, and coming needs of increased quantities of the same resources in others. Identification of these features timeously would make it possible to undertake re-training and re-development on a phased basis of manpower from an area of decay to an area of growth.

It is accepted that in many cases this may not be possible, but it should at least ensure, that if known in advance, that these situations must be faced, it would be possible to make the most effective use of available manpower. Failure to utilise Strategic Planning can also be conducive to another problem within the group, since changing strategy (focused as far ahead as possible) would surely give advance warning of a changing organisation structure with a shifting emphasis on skills required. Timely knowledge of future skill needs, would enable a judicious recruitment policy to be pursued in a labour market where skills may be at a premium when needed immediately, but could be employed over a longer time period with relative ease. In this context, extension of the Long Range Plan to include a regular Manpower Audit, and Manpower Forecasting, should also provide valuable pointers to future needs. It should certainly lead to a reduction of the problem of the overlap period discussed later as lacking under crisis management.

2.10.2 Conclusion.

In concluding this chapter, a study of the deficiency areas identified seems to indicate that the group tend to be re-active to changing situations rather than innovative, and it seems highly likely that excessive and unnecessary use is made of external recruitment when Training and Planning could perhaps materially reduce the apparent internal deficit. Further, there seems to be the likelihood that should formal and systematized planning and development for Manpower and Succession needs not be extended, internal capability in management may be badly used or entirely overlooked, leading in the final analysis to a serious lack of good management resources.

To provide a background for discussing these problems in further details, theoretical aspects of Manpower and Succession Planning will be considered to some length in the next chapter.

CHAPTER III

- 3.0 Manpower Planning - Introduction.
- 3.1 Manpower Planning - A Definition.
- 3.2 The Need for Manpower Planning.
- 3.3 Manpower Planning - A Normative Theory.
- 3.4 Manpower Inventory Compilation and Manpower Information System.
 - 3.4.1 Manpower Inventory Compilation.
 - 3.4.2 Manpower Information Systems.
- 3.5 Manpower Programming.
- 3.6 Manpower Training and Development.
 - 3.6.1 Career Planning.
 - 3.6.2 Training and Development.
 - 3.6.3 Management by Objectives, Performance Standards and Performance Appraisal.
- 3.7 Ethnic Considerations.
- 3.8 Comment.

CHAPTER III

3.0 Manpower Planning.

In this chapter a normative approach to Manpower and Succession Planning will be made. As a first step, an attempt will be made to arrive at a definition of Manpower Planning in itself, and then, what it entails, and also, what it requires for successful implementation in business.

3.1 Manpower Planning - A Definition.

What is Manpower Planning? A number of good definitions have been made, each of which stresses the future orientation of this aspect of business operation, and-- it is interesting to note that each definition focuses emphasis on differing facets of an organisation.

Vetter (1967 p.15) describes it as "The process by which management determines how the organisation should move from its current manpower position to its desired manpower position. Through planning, management strives to have the right number and the right kinds of people at the right places at the right time, doing things which result in both the organisation and the individual receiving maximum long run benefits."

Burack (ibid p.58) repeats this definition and later (p.59) in a comparison between Manpower Planning and Personnel Administration describes Manpower Planning as a process inherently future oriented which seeks to bring together business objectives and manpower resources. Specific reference is also made to needs as to quantity, quality and timing.

McBeath (1969 p.1) states "Organisational planning, manpower planning and individual career planning are integral parts of the management process, providing a logical and systematic approach to the review of present and future utilisation of the companies main asset - its manpower".

Further, the same author goes on to say (p.55), that he considers it to be complementary to and following

on from organisational planning, and to be concerned with the future manning of planned and evolutionary organisation structures.

Cassell (1973 p.18) in quoting from an earlier article (1968) extends Vetter's definition and says "The purpose of corporate manpower planning is to tie together decisions concerning recruiting, screening, compensation, training, job structure, avenues of mobility and work rules in such a way as to provide cost trade-offs and decision options which can be ranked according to various forms of advantage". Later in the same article (1973 p.15) Cassell states "Manpower Planning is a process designed to translate the corporate or institutional plans and objectives into future quantitative and qualitative manpower requirements together with plans to fulfil those requirements both over the shorter and longer terms, through manpower utilisation, human resources development, employment and recruiting and manpower information systems. The former part of the process consists of forecasting whereas the latter part involves management to meet requirements".

In the definitions given above, there are certain common links, as all are to some extent future looking in orientation, and all are concerned with manpower, but Vetter and McBeath link these to planning, whereas Burack and Cassell link manpower to achievement of organisational objectives, with a further extension in the case of Cassell to economic considerations, in the "cost trade-offs" comment.

In an attempt to combine the concepts given above, and yet retain some measure of coherence, Manpower Planning may be defined as a future oriented process, which is aimed at the securement of adequate numbers of satisfactorily trained people to man, in the present and in the future, the current and proposed organisation structures, so that the most effective possible use of manpower and other business resources in conjunction may be attained to secure the optimum results for both the individual and the organisation in terms of objective achievement and long term benefits.

If this state of affairs is to be attained, it is apparent that a number of activities other than planning alone will have to be carried out effectively, and successfully. These activities can be considered supportive to and consequent on Manpower Planning, and they will be discussed later in this chapter.

However, it must be recognised and remembered that the focal point of success in any business enterprise is sound and constructive planning, and where its most costly and valuable resource - people - are concerned; very specifically; Manpower Planning.

3.2 The Need for Manpower Planning.

When giving thought to the need for Manpower Planning it is worthwhile first to consider existing conditions which appear to prevail in this area, in business to a major degree, before continuing with the discussion on the various aspects and demands of business operations which make Manpower Planning an essential feature of the enterprises activities, if the success desired is to be achieved.

Cassell (ibid p.16) comments on what is happening in the area of micro manpower planning by saying "no planning - because it is not really required or because the capability to plan is lacking". In this context he is indicating that this state of affairs seems to be largely prevalent in business and industry, and he cites a number of examples in support of his contention.

Burack (ibid p.132) stresses the fact that managerial manpower needs appear difficult to plot out, but that they cannot be glossed over in favour of the assumption that "things will take care of themselves".

Vetter (ibid p.3) regards manpower planning as an on-going activity in many organisations and institutions in the U.S.A. and continues to say "A planning approach to manpower utilisation can result in a more effective management of the manpower resources of the organisation".

The last two authors quoted above, although indicating that Manpower Planning does exist to some degree, notably and mainly in the U.S.A. are also highlighting the apparent paucity of the activity by stressing the needs of business for the tool of manpower planning.

To survive and continue operating in the future, an organisation must have set its organisational objectives, and must then also achieve success in meeting these objectives to a meaningful degree. To reach its goals or objectives, with as fewer problems as possible, the most economic use must be made of all the resources which it has available. Among the most costly of its resources, and also one of the most difficult to plan and control for full effectiveness is the human resource - the people who man the organisation. Without a plan, it is almost impossible to exert controls, since there is no yardstick against which to measure performance, and, accepting the need for a plan for human resources (i.e. Manpower Planning) Burrack (ibid p.68) remarks "corporate objectives, manpower plans and programming must operate in congenial fashion".

Illustrating this, is an exhibit by Burack (Exhibit 4.7 p.69) which shows diagrammatically the links between Goals and Manpower Planning and Programming with the introduction of a third function covering the time span of the plans and program, with the time span, moving from certainty in the short term to uncertainty in the long term. Burack visualises the process as a series of steps, but it must be understood that the linking between goals and manpower planning should be a continuous process. The diagram (Exhibit 4.7) is produced overleaf for consideration.

FIG. 3.1

GOALS AND MEANS :- MANPOWER PLANNING AND PROGRAMMING.

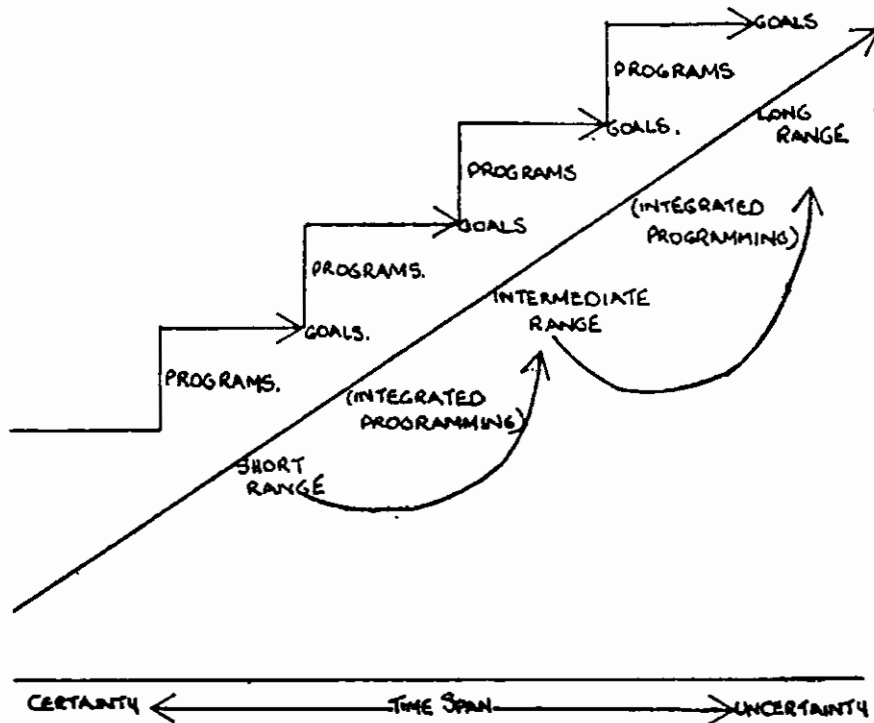


EXHIBIT 4.7

Stresses affecting the organisation in the deployment and utilisation of its human resources are varied, but one of the most powerful is the force exerted by change - change in the environmental inputs to the organisation - social change, economic change technological change, political change etc.

McBeath (ibid p.2) has this to say "In virtually all organisations evolutionary pressures of many sorts are constantly changing the present and future manpower requirements, while effective operation at any point in time is dependent on effective manning." Also the same author (p.2) "Haphazard growth and change create problems which are more and more complex than simple recruitment or placement can solve, as their impact on individual employees may be subtle and complex." Further, (ibid p.3) he stresses "Too few organisations think sufficiently about their real manpower requirements, or about what is going to happen over the next few years to their organisation and to the people they employ."

Linking this question of change induced, and accepted to organisational planning (ibid p.27) he says "Organisation planning is essentially a long term activity, concerned with a developing situation over some five years ahead, and the question of how best to move from the present structure towards the future ideal. In setting the pace of this evaluation, the availability and readiness of suitable personnel are of critical importance; so much so that personnel may be considered the only determining factor in the timing of the plan." (Here cf Burack ibid p.68 previously quoted).

Quoting again from McBeath (ibid p.55) "Manpower planning follows on from and is complementary to, organisation planning. In other words, it is concerned with the future manning of planned and evolutionary organisation structures."

McBeath's arguments given above lend conviction strongly to the view, that in order to implement desired and/or forced changes on the organisation, it is essential to plan and program the manpower needed both now and in the future to achieve the desired results.

A further interesting and thought-provoking view, is that with the ever increasing pace of change today, very much higher standards of performance, knowledge and skills are continually being demanded of managers, and the effects of these demands are best illustrated by Bowen (1973 p.82) where he says "An acceptable manager yesterday will not be acceptable today, and today's manager will not be good enough for the future." It seems vital therefore for the organisation to plan and prepare now for the type and quality of manager who will be required for the organisation in the future.

Burack's comments on organisations in the future are worth recording here. He states (p.7) that the organisations of the future will undoubtedly employ greater proportions of technical, professional and managerial

manpower than is the present case, and goes on to say "as organisations employ greater proportions of high-talent manpower, the emphasis on formal manpower planning must increase"; and further (ibid P.131) "new levels of manpower training and development must also be achieved." Both Burack and Bowen focus on the need for higher skills in management to meet changes which will have to be faced in the future, but again the essence lies in providing people of adequate calibre and here careful and timely planning is needed to ensure that the supply is available, when the demand materialises.

The apparent need for timely and sufficiently future oriented planning is also remarked upon by Vetter (ibid p.12) when he comments "action taken today in the manpower area influence the quantity and quality of the companies future manpower"; and again (p.13) he states "when management development programs are tied to short range needs, they frequently fail to produce the quantitative product needed for the future." It is accepted that these comments of Vetter's apply mainly to the training and development of manpower, but as these are foundations of Manpower Planning, they can be considered highly relevant to the need to cater for future organisational change in the manning field. Taking further this point of Training and Development being a vital and basic component of Manpower Planning, notably when viewed in light of future requirements brought about by change, Drucker (1970 p.221) says "The prosperity, if not the survival of any business depends on the performance its managers of tomorrow," Essential to this comment seems to be the contention that if the managers of tomorrow are to perform at a level to meet these requirements and objectives of prosperity and survival, the planning, selection, training and subsequent planned promotion of these managers must be carried out on as professional, detailed and effective a basis today as can

possibly be achieved. If the organisation is to show continuing growth and profitability in the long term in the face of an ever changing environment, and to ensure that the long term corporate health* is as good as can possibly be achieved, then planning for the future, in optimum use of manpower becomes vital.

Growth considerations for the company further appear to underline the need for sound manpower planning. Growth in an enterprise cannot be envisaged on any major scale without the manpower to administer, service and control it. McBeath (ibid p.21) states "Personnel resources place a very real limit on the growth potential of a company"; and further (ibid p.54) he continues, to say "It is essential that the company should base its trainee output on its long term manpower needs, and for this we must think in terms of requirements some five to ten years ahead. Apart from the possibility that a change for the worse may lead to redundancy, there is the opposite possibility that company growth may become so rapid that the number of trainees 'laid down' five years earlier may turn out to be totally inadequate for the company's revised needs. If a big growth is planned, it is possible to build up a stock of certain categories of people immediately in advance of the expansion when prospects are obvious." Here Mc Beath is mainly giving thought to recruitment in the lower levels of the organisation to ensure that enough time for adequate training is available to be certain that sufficient staffing of suitable calibre is ready when the forecast growth period arrives.

Burack (ibid p.36) makes this point on manpower bottlenecks "an alert manpower planning program will provide an early and warning system of manpower problems"; and goes on to say (p.137) that "Conditions, mergers and internal growth all combine to create an environ-

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*Corporate health can be here described as the condition, where a corporation or group is showing good growth and profitability, has a good image in its business or industry section, enjoys a good reputation, and is staffed by well-motivated, satisfied and capable employees in adequate numbers for their operations

ment requiring talented personnel." Avoidance of bottlenecks in manpower and ensuing a supply of talented personnel to manage growth could only be done by a comprehensive and well functioning manpower plan and program if the situation of reactive management of manpower is to be avoided.

The reverse side of growth can perhaps to some extent be considered to be obsolescence, and here again the need for manpower planning shows itself to be necessary. Just as much as growth, obsolescence requires planning, if staff are to be re-trained and re-deployed usefully to ensure the maximum benefit to both the firm and the individual. In the extreme, if no diversification or -- extension of the company's activities exist, to absorb surplus personnel becoming available, then a phased program of staff reduction, early retirement or redundancy may become necessary. Under these circumstances to avoid shock to the enterprise, the obsolescence program and plan should be well conceived and well executed. Bureck (ibid p.128) states "Another form major change may take, is the phasing out of uneconomical units and the movement to new facilities such change may have a heavy impact on incumbent manpower."

Also worth scrutiny in the argument in favour of the need for Manpower Planning in the organisation, is the question of external recruitment from the environmental on international labour market. Cassell (ibid p.17) comments on the activities of corporations in the U.S.A. in following, during the sixties, a policy of external recruitment and says "Intensive recruitment such as this is a clear indication of lack of manpower planning" and further on, on the same page states "there have been persistent shortages in specific occupations such as professional and managerial." The same author (p.18 ibid) observes "a recent survey suggests that top echelon corporate executives are recruited from the external labour market, and manpower programs supply primarily first line, middle and some upper

level management."

External recruitment of this order inevitably exerts a highly de-motivating influence on existing personnel and can without doubt eventually lead to termination of service by good people who view their promotional prospects as distinctly limited and thus seek opportunities for advancement elsewhere. On this point, McBeath (ibid p. 91) comments "As a generalisation we should aim to meet as much of the (manpower) requirement from existing supplies as possible. It is normally less expensive and has a considerable impact on retaining the best people, as they can see that internal promotion is a reality."

The question of cost of external recruitment is another factor worthy of investigation and here McBeath (ibid p.127) states "Outside recruitment of any sort is expensive, so that, apart from all other reasons, the need to economise and make use of the 'existing stock' makes economic sense." Cassell (ibid p.19) says further "Few companies have been able to look beyond the initial investment cost of a manpower information system to the substantial and continuing cost advantages it can offer." It can be accepted that the initial introduction of a Manpower Information System, and Manpower Planning and Programming can be costly, but after the original 'one time' costs of the installation, running costs of operating these systems are not excessively high while the benefits should be continuing and long term in nature. As a comparison, external recruitment of personnel is almost always a costly business on an on-going basis, both in its preliminary stages of advertising and screening, and in the later stages of induction training not to mention the question (and likelihood for that matter) of the cost of importation of labour from other countries, where immigration and resettlement costs can be very high. If good manpower planning can reduce the need for external search, by means of correctly exercising operations such as

Manpower Inventories, Manpower Programming, Cover Planning, Manpower Training and Development, performance Appraisal and suitable assisted Self Educational Schemes, then the benefits to the company in the direction of a motivated and dedicated work force are almost boundless. As previously stated, clearly identifiable promotional prospects should provide increased motivation and also to a degree the alignment of individual objectives with organisation objectives, and direct financial benefits will accrue to the company through a reduction in cost of external search and external manpower recruitment. Finally, somewhat intangible benefits should also assist the company blessed with a stable and well motivated work force. One could possibly be the development in the long term of a healthy organisational culture* and another possibility the growth of a company image which will attract the type of people which the organisation will find necessary to recruit from time to time.

As a final thought on the need for Manpower Planning, to survive today, all enterprises need manpower and management of the highest abilities to meet the challenges provided both by competitors and a constantly changing environment. The general need for high performance by personnel notably at the higher levels of a company is obvious, and here quoting Burack (ibid.p.133) "making good decisions, planning in the use of resources and managing manpower and communications are the skills which are considered most likely to yield high level performance." Again, the same author (p.30) has said "Too often, manpower 'planning' assumes the form of 'reaction management' or muddling through with little potential for the optimal programming of manpower assets. Vetter (ibid p.12) has this to say "Actions taken today in the manpower area influence the quantity and quality of the company's future manpower;" and again "when management development programs

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* Organisational culture is already defined on p.13

are tied to the short range needs, they frequently fail to produce the qualitative product needed for the future."

In summing up, the only means of reducing future uncertainty appears to be to plan as effectively as possible now, for both the short term and the long term. One of the most uncertain resources needed by an enterprise is the human one, in the contexts of supply, skills and potential, and therefore the company with its sights set on survival, continuing profitability and growth will endeavour to plan its human resource needs for the future to the utmost of its ability. This has been stressed frequently by authors such as Burack, Vetter, McBeath, Cassell, Bowen, Drucker and Strauss and Sayles among others.

3.3 Manpower Planning.

Hopefully, at this point, two things have been established - firstly, the definition of Manpower Planning, and secondly, certain justifications of the need for Manpower Planning. At this point very briefly, consideration can perhaps be given to both management and manpower, and their associated problems. Bowen (ibid p.80) makes the succinct comment "history seems to indicate good managers have always been in short supply. And so it is likely to be in the future." Mc Beath (ibid p.3) observes, "Too few organisations think sufficiently about their real manpower requirements, on about what is going to happen over the next few years to their organisation and to the people they employ." It must be accepted that while both these comments are basically correct, the forward looking organisation which is prepared to use its human resources to the fullest extent in a properly planned and trained basis could have a considerable edge over its competitors on an ongoing basis.

In the previous section of this chapter, thought was given to the needs for manpower planning. At this

point it is opportune to look at the needs of manpower planning before investigating the methods and systems required for its introduction. McBeath (ibid p. 77) states "Manpower Planning is an imprecise art, based on shifting bases. Successful results depend heavily on appreciation of the factors at work and sensitive evaluation of the data." This comment highlights the need for maximum possible reduction of uncertainty, and in fact prior to this warning note, the same author has said "Manpower planning demands an increasing clarification of organisation to the point of stating the function of each individual job within it. The degree of accuracy should be sufficient to sketch man specifications for completely new roles and for a reasonably correct appraisal of the number of posts. This enables the outline plan of manpower requirements to be developed towards an intake and training program, which may be speeded or slowed as the plan unfolds." Burack (ibid p.54) endorses this view with the statement "a viable approach to manpower planning is virtually dependent on a thorough understanding of organisational characteristics and of the problems and features of general planning." The focus here is on an intimate and detailed knowledge of the organisation, its objectives, structures and future planned strategy. In dubbing manpower planning an imprecise art, McBeath is correct, since it is future oriented, and long term (or should be) in nature. However, the good and intimate knowledge of the organisation specified above can usually reduce the uncertainties to manageable proportions.

Finally a further major need to be met, if manpower planning is to succeed, prior to looking at systems for manpower planning, is that of acceptance at all levels of the management structure. It is useless to have acceptance and support at the higher levels of management, and opposition, obstructionism and disbelief at the lower levels, or vice versa.

Commitment to the concepts, principles and aims of manpower planning needs to be universal within the organisation otherwise the best developed system cannot work satisfactorily.

Turning now to the theory of Manpower Planning, in the development of this consideration has been given to two models, both of which are illustrated here. The first illustration is extracted from Burack (ibid p.10) and the second illustration has been reproduced from Vetter (ibid p.29). Both models have merit, but it is felt that the model developed by Burack shown first is preferable, since an additional step in the model identifies Training and Manpower Development.

FIG. 3.2 BURACK'S MODEL.

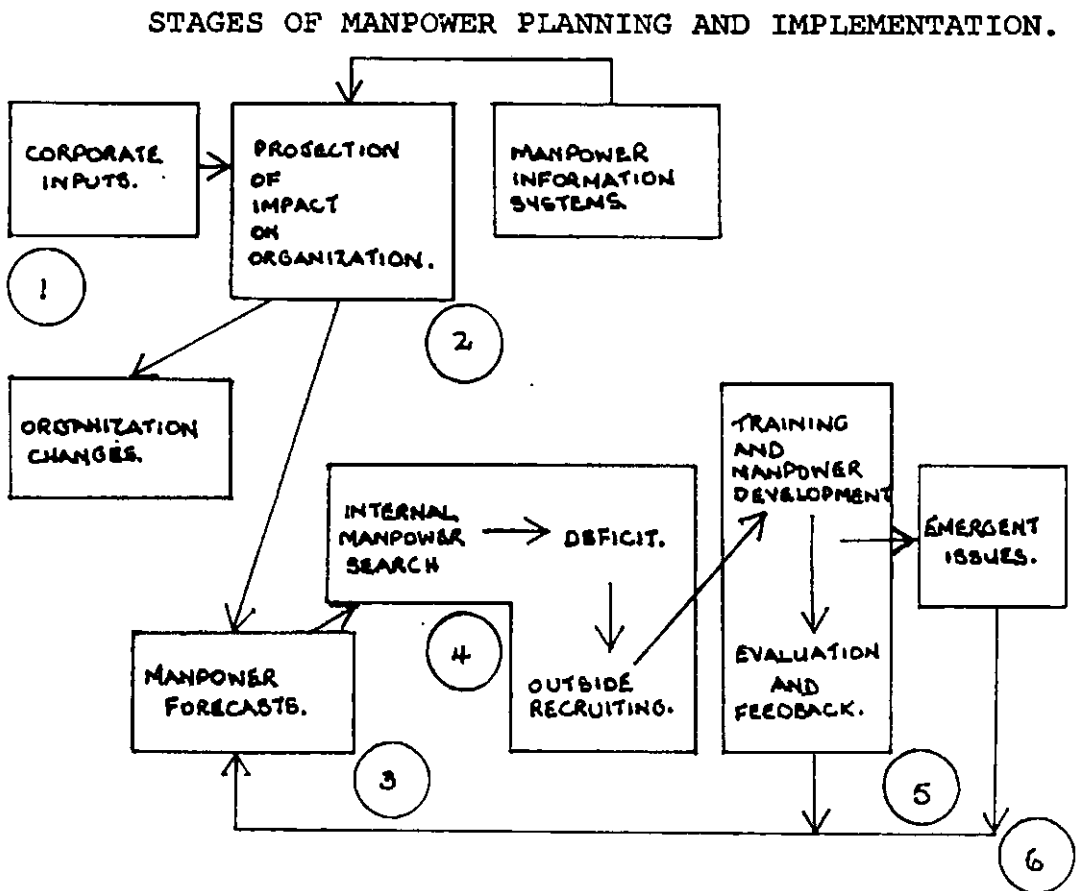
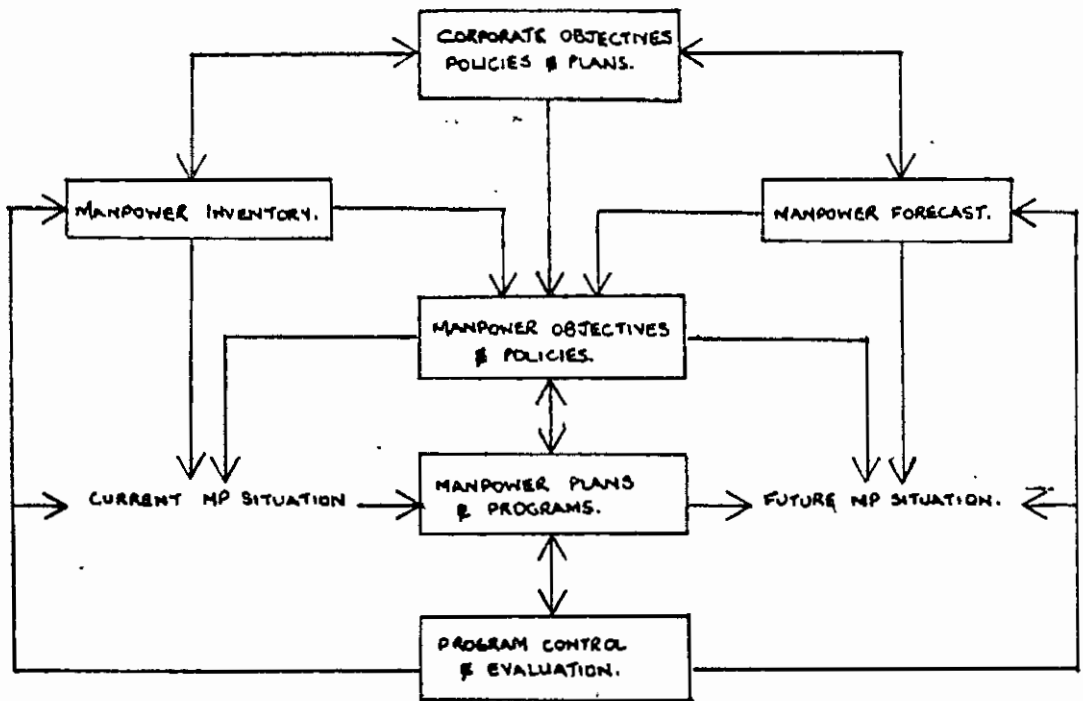


FIG. 3.3

VETTER'S MODEL.

THE MANPOWER PLANNING PROCESS.



This step is missing in Vetter's model, and it is for this reason, since otherwise the models are similar in approach and content, that the model of Burack is preferred. Therefore Burack's model will be used to establish the ground work of a Manpower Planning system in this chapter. The model, as can be seen, is divided into six steps, covering the whole process of planning and programming, and it will now be discussed stage by stage.

Stage 1 - Corporate Inputs.

These corporate inputs take the required form of a new set of organisational commitments for the future. They form the result of all forecasts covering marketing, technological, production, social and environmental changes, together with growth, decay and obsolescence of products being marketed, and anticipated organisational structural changes in areas affected by the above factors. The strategies and long range forecasts have a direct and major impact on the future manpower

requirements of the organisation, and as a result are the first influence on the whole process of manpower planning and the later implementation of this plan. It can thus be deduced that the prime requisite for Stage 1 of the model is for comprehensive realistic future corporate planning, as far into the future, as can be seen of every aspect likely to affect the activities and operation of the enterprise in any way, since either directly or indirectly, these factors will have an influence on the manning of the organisation in the future as far as the numbers of skilled manpower and levels of training of people required, are concerned.

It must be stressed here, that decisions on the input described above would have to be made at the highest level of management, and would accordingly provide the guidelines and references for the activities carried out at the lower levels, which would carry the organisation in the direction of achievement of the pre-set objectives. Here Burack (ibid p.11) "Taken together, such inputs amount to a new set of organisational commitments which directly affect and structure the process of Manpower Planning."

Stage 2 - Projection of Impact on Organisation.

At this stage consideration is given to the effects on the organisation of the inputs from corporate level from Stage 1 - in particular, the production of reactions within each major organisational area in relation to manpower. At this point estimates would be formulated of the various categories of manpower needed to meet the future requirements and objectives of the organisation as forecast and planned, the basis here being corporate strategic objectives in the long term and budgets and action plans in the short term. Resulting from forecasts of changes in the organisation's activities proposed for the future will come the need to phase out, re-train or re-deploy manpower in obsolescent and decaying areas of the enterprise and identification of new skills and knowledge required for growth areas, together with the levels of skills and

numbers necessary to meet these objectives.

At this point further essential inputs to Stage 2 must be recognised. These inputs would derive from comprehensive Manpower Inventories and Manpower Information systems, and full and up-to-date details of all employees would be required. The requirements for manpower inventories and manpower information system will be dealt with later in this chapter under 3.4.

Stage 3 - Organisation Changes and Manpower Forecasts.

In this stage, two processes are indicated in organisational change, and manpower forecasts. As far as the question of organisational change is concerned if Stage 1 is recalled, the view was presented that the new organisational commitments for the future would mean probably change in the organisational structure resulting from perceived opportunities and constraints presented by the environmental forecast and assesment, as being applicable for future operations. Furthermore, in Stage 2 it was suggested that, as a result of these corporate inputs from Stage 1 estimates would be prepared for future manpower needs and the necessity for a manpower inventory was recognised. On this basis, Stages 1 and 2 would become the basic inputs to a manpower forecast. Burack (ibid p.11/12) describes this as "a complex of activities", and continues to say "It is in the forecast that the manpower planner must quantify to the best of his information and ability the projections of Stage 2, and the organisational changes identified or anticipated at Stage 3." Finally the distinction is proposed by Burack (ibid p.12) between manpower planning and presonnel management with the comment "manpower planning is intrinsic to and triggering element of organisational change, whereas personnel management as commonly constituted is reactive and adjustive to the organisational environment as it finds it," and in stressing this distinction Burack (ibid p.59) states "Manpower planning is a future oriented process whereas the functional orientation of the personnel staff requires them to work mainly with

'givens' determined by manpower planning. On the basis of this distinction, reference will in future be made to the Manpower Planner as identifying and embodying the person or persons responsible for the various activities under consideration.

Stage 4 - Internal Manpower Search, Defined and Outside Recruiting. If it is accepted that Stages 1 to 3 identify the need for a manpower inventory and manpower forecasts resulting from the needs and operations of these three stages, it is now logical to consider at this point that the manpower planner is faced with the specific problems requiring his presence in the organisation. Manpower forecasts will have identified the future manpower requirements covering skills, numbers, experience required, etc., and at this point comparison with the current establishment, as derived from the manpower inventory, will indicate the presence or otherwise of manpower deficits, and if deficits are present, the nature, scope and level of these. If these deficits exist, then, states Burack (ibid p.12) "These deficits must be met (a) from internal sources (b) through the conduct of intra organisational manpower searches or (c) from outside sources through a planned program of recruitment and selection."

Internal search procedures will naturally be governed by the quality of the manpower inventory, which in turn will be dependent on the status of the manpower information system, and here a major factor could also be the time horizon basis of the manpower forecast under study, since a sufficiently distant time horizon of the manpower forecast could allow enough time for function on internal and self developmental training programs. This aspect could also apply in the case of intra divisional or intra organisational manpower searches, with its added possibility of related transferable skills.

In the event of internal and intra organisational search

procedures showing positions which it is not possible to fill from within, an internal deficit is identified and based on this identified internal deficit, the required outside recruitment plan would be formulated to ensure that the required people in terms of skill and numbers are employed from the essential labour market.

It must be borne in mind that personnel recruited a result of identification of internal deficit from outside the organisation would almost undoubtedly need varying periods of training and development to be fully effective. Hill and Harbison (1959 p.64) have commented thus "Of all economic resources, high talent manpower takes the longest time to develop and then it demands the most careful planning for the future." Necessary lead time for these activities should therefore be built into a manpower plan if it is to be sound and workable.

Stage 5 - Training and Manpower Development; Evaluation and Feedback. This stage covers the implementation of the manpower plan and manpower training and development. These aspects, together with evaluation and feed-back will be dealt with in more detail in 3.5 and 3.6 in this chapter. However, one point worth noting here is that evaluation of recruitment and training is done as an exercise by both the manpower planner and the operating managers with a view to identifying possible improvements and/or modification to the whole manpower planning and programming system. Also, at this point, corrective action can and should be taken, if necessary to bring the manpower forecasts closer to reality, and to take further projections of possible organisational changes.

Stage 6 - Emergent Issues. On Buracks model, this deals largely with considerations affecting graduate employment and recruitment and training of culturally disadvantaged employees. Some thought will be given to the latter aspect in this chapter in 3.7, when

ethnic considerations receive attention in conjunction with other factors affecting Black labour.

To close the consideration of a Manpower Plan, two quotes from Burack are made (ibid p.187) "Top level planning traditionally has focused on economic and physical elements rather than manpower aspects", and (ibid p.59) "manpower planning, like any business planning process is built around objectives or results, a target approach which many organisations are now practising. This approach fits completely into a 'management by objectives' policy framework." Manpower planning must therefore be considered in modern business practise as an extension of the normal planning activities of the enterprise.

When taking an overview of manpower planning, it would be both unwise and incorrect to regard it as solely concerned with growth and expansion. Decay and obsolescence are ever present, and the manpower plan and the planner must take cognisance of these factors as they would of any other factors of importance to the organisational manning. Burack (ibid p.180) defines managerial obsolescence as "the growing discrepancy between the individual manager's expertise, and the changing demands of jobs and work structures. Further, (ibid p.181) he goes on to say "In fact managerial skills and knowledge display the same vulnerability to obsolescence as does equipment." The point which has to be accepted here, is, that when preparing a manpower inventory and a manpower information system, this aspect must be given the closest possible attention." Commenting on efforts to combat obsolescence, Burack (ibid p.181) remarks "Business management must reckon with the need for managerial up-grading, as well as recruitment of new skills. Thus there must be greater attention to individual development and re-training, which will entail special costs." Again (ibid p.194) he states "It is only through a well thought out procedure for

identifying job needs and for evaluating and training needed managerial skills that a program for meeting obsolescence can succeed. Such programs require the full and informed support of top management."

The results of a well designed and successfully implemented manpower plan provide immense benefits to an enterprise and here it is worth quoting a portion of the definition of Manpower Planning given in 3.1 - "the securing of adequate numbers of satisfactorily trained people to man in the present and in the future, the current and proposed organisation structure so that the most effective use of manpower and other business resources in conjunction may be attained, to secure the optimum results for both the individual and the organisation in terms of objective achievement and long term benefits."

3.4 Manpower Inventory Compilation and Manpower Information Systems.

Prior to the investigation of the mechanics of Manpower Inventory compilation and Manpower Information systems in detail, general comment on their place in manpower planning and programming and succession planning would be valid. Without certain facts on which to rely (certain in this sense meaning definite), the finest plan would be difficult to execute, and the factual bases on which manpower planning and programming have to rely are the manpower inventories supported by satisfactory manpower information systems. McBeath (ibid p.7) states "we go on to take an inventory of existing personnel strength, from which we can see our assets, how they are employed, how good they are at their jobs, what special skills they have and how they are expected to develop. We also analyse their qualifications, training and experience and such factors as age distribution." Later (ibid p.91) he observes "Inventory of existing personnel sets out what we have in 'stock' and can expect to have in stock at future dates. By setting these situations against requirements we have an immediate assessment of shortfall." In any plan,

a schedule of resources and assets together with their production value is essential, and this is highlighted by McBeath's comments quoted above. Vetter (ibid p.84) sums it up by saying "Inventory programs are a key element in manpower planning because they reveal the current manpower capabilities of the organisation." The planning can therefore proceed from a known base of sure facts.

When carefully considered, to be effective, a manpower inventory should be supported by a comprehensive manpower information system to ensure that the inventory is continuously up to date. Cassell (ibid p.16) states "The manpower information system links administration with information." The information referred to here would be obtained from data in the information system. Thought on what should be produced in broad outline by the manpower information system for the inventory of manpower is given by Burack (ibid p.111) when he says "The overall manpower capabilities of the organisation are achieved to an important extent through the knowledge of the skills it requires." Prior to this (ibid p.108) the same author comments "Clearly an accurate description of skill substantially increases the usefulness of information derived from the manpower information system." Assembly of all relevant data for the inventory by means of the manpower information system is clearly a 'must' although care must be exercised to ensure that redundant or irrelevant information is not accumulated. The manpower information system must be scrutinised on a continual basis to ensure that time and money are not wasted on the collection and storage of useless data.

With the advent of computers, an alternative now appears to the manual approach to inventories and information systems which would, not too many years ago, have been the only available method of compilation and storage. On the question of computerisation Burack (ibid p.93) observes "Within the factors shaping the

characteristics of manpower planning and programming, the computer often reigns as a symbol of the newer concept and innovative approaches." Again (ibid p.96) he follows this up by saying "In short, changes which are increasingly characterising a wide variety of business/service institutions.....argue strongly for the organisation of manpower procedures and compel serious consideration of a viable manpower information system (increasingly based on the computer)."

3.4.1 Manpower Inventory Compilation. To commence consideration of this section, a definition of Manpower Inventory is recorded here as given by McBeath (ibid p.94) "By way of definition, a manpower inventory resembles any other inventory of stocks or assets; manpower may be likened to other assets; in fact the work force may be one of the company's most valuable assets, even though it may not appear in the financial books. The inventory, this stocktaking of people needs to be as complete and detailed as possible." Giving further thought to what a manpower inventory is comprised of McBeath again states (ibid p.94) "A manpower inventory does not consist of just one analysis, but of a number of basic analyses which may be separate or cross related." These separate aspects will now be discussed briefly, based on the headings given by McBeath (ibid pp. 94-103), since these provide a sound basis for compilation of a Manpower Inventory.

"Headcount" covers the total number of people employed, and shows the various categories in which they are employed. This section of the Manpower Inventory can be either relatively simple in lay-out or extended to provide details or fluctuations and comparisons with preceding periods of time together with a host of other information; this headcount provides much

needed data on the employee make-up of the enterprise, and the direction of change of the mix of employees.

"Qualifications, training and experience" This analysis covers a detailed consideration of the individual skills and abilities of the organisations personnel, where they are used and of what they consist.

"Employment" This provides an extension of the headcount analysis by indicating how people are employed and should give a detailed indication of the department, division etc., in which the individual is placed. By means of suitable coding and programming it is possible to computerise this information so that immediate identification of employee function is possible.

"Age distribution analysis". This analysis provides a pattern of age scatter in posts, and can highlight future problems, such as coming high retiral figures in certain areas, or "age clustering" where too many people of similar age and promotability in one area can lead to frustration and loss of people by termination of service voluntarily as a result of restricted prospects of promotion and opportunities, as seen by post incumbents.

"Age structure in management". Although this appears to be merely an extension of the previous category, it can be valuable in making a rapid check of the managerial inventory possible in emergencies, and it would highlight specifically possible problems arising from restriction of opportunity for advancement at managerial levels, thus giving the chance to take remedial action before valuable management skills are lost to the enterprise by voluntary departure of managers.

"Age X Grade Distribution" Again this appears to be an extension of the two previous categorisat-

ions, but its major usefulness appears from the fact that it can be linked to remunerations and therefore salary variations can be identified, thus enabling a possible source of dissatisfaction for employees to be corrected.

"Graduates X other factors." In this categorisation, a governing factor is the organisation's policy regarding employment of graduates and this analysis is of benefit in checking the realisation of the organisation's objectives in this regard, since it provides a means of appraising the success or failure of their recruitment policies in this area, thus permitting corrective action to be taken where needed.

"Manpower losses" Analysis of the information available under this heading can frequently cause attention to be focused on a problem area, by pinpointing divisions or departments that are subject to a drain on personnel. This should lead to investigation and corrective action to stem the flow of people away from the company once the problem has been correctly identified.

As stated the proposals given above for categories in a manpower inventory have been reproduced from McBeath (1969) and are based by him on manpower inventory systems in operation in existing organisations.

- 3.4.2 Manpower Information Systems. In consideration of this component of manpower planning, a basic assumption will be made that an in-company computer is available, and the approach therefore used here will be rooted in Computer based Manpower Information Systems. Quoting from Burack (ibid p.94) "Company manpower information systems, frequently based on computer usage provide a logical base for policy formulation and systems programming for emergent needs. Forward looking manpower forecasts, analysis of emergent demand trends in terms of various manpower and job requirements, job matching and career planning -

all suggest the use of computer based information". Two further observations by Burack are worth noting. Again (p.95) he comments in "The Role of the Computer in Organisational Changes", the ability and desirability of interchanging manpower between departments for day-to-day operational convenience, or longer term individual development necessitates the development of broader bodies of manpower information and are further justification for extending information and personnel alternatives", while just prior to this (ibid p.94) he has this to say "it must be acknowledged that operating experience with computer-based manpower systems is highly limited." Accepting the last comment quoted, it still appears in light of Buracks observation about the need for broader bodies of information, that in all but small organisations, the best method of recording, storing and subsequent use of data on employees would be through a computer. The reasoning for this approach is based on the contention that a major factor in Career Planning would seem to be the development of wide experience for suitable and selected employees and consequently a large volume of data would need to be assembled and stored, which could be highly laborious if done manually. Also, in view of the relatively rapid change rate for the data, in order to keep it up-to-date, manual operation of a comprehensive manpower information system could be cumbersome, expensive and time-consuming.

An example of basic data for a manpower information system is given below, which indicates " what could be described as the bare essentials required for manpower planning. This has been taken from Burack (ibid p.109 Exhibit 5.2).

FIG 3.4 Exhibit 5.2 Data for Manpower Systems.1. Personal Factors.

- | | | |
|--------------------------------------|-----------------|-----------------------------|
| .Age | .Marital status | .Status of parents (living) |
| .Sex | .Dependents | .Birthplace of parents. |
| .Citizenship | .Handicaps | .Occupation(s) of parents. |
| .Military status. Security clearance | | |
| .Military service | . Birthplace | |

2. Education and Training.

- | | |
|---------------------------------|--------------------------------|
| .Highest level of education | .Schools attended |
| .Last year of formal education. | .Class rank |
| .Degree areas | .Special educational programs. |
| | .Other educational programs. |

3. Experience and Skills.

- | | |
|--------------------------|--------------------------|
| .Job areas | .Last year of experience |
| .Job titles | .Duration of experience |
| .Job dates | |
| .Certification/licences | |
| .Ratings (Civil Service) | |

4. Supporting Information

- .Salary information (present and desired)
- .Travel and geographical preferences

Certain of the headings listed, such as Ratings (Civil Service) and Certification/Licences would probably not be required in South Africa, and perhaps a few others could be included under Supportive information, such as Interests and Hobbies, Promotion Potential and Mobility, but for the balance, the data collected would form a foundation for a manpower information system. Moving towards a more elaborate system, a very much more comprehensive assembly of data headings is shown below.

This again is reproduced from Burack (ibid p.120-123). Once again a number of categories would appear to have little or no relevance or applicability, and as far as possible these have been omitted. This data schedule is listed in Burack's book as Exhibit 5.3 and is so described here.

FIG. 3.5 Exhibit 5.3 Basic manpower information system data.

1. General employment data.

Employee name.	Telephone number.
Payroll or identification number.	Permanent address.
Date of birth.	Occupational group code.
Date of hire.	Department code.
Sex code.	Subdepartment code.
Marital status code.	Ethnic group code.
Number of dependents.	Military status code.
Medical status code.	Physical limitation code.

2. Education and Training.

Highest educational level.
 Colleges or trade or technical school fields of study.
 Degree or certification.
 Year of degree or certification.
 Part-time internal training programs.
 Post-hire external training programs.
 Tuition reimbursements.

3. Prior Employment History.

Military Service.

Military service branch
 Date in
 Date out
 Highest rank

Prior Employment - External.

Industry

Occupation

Length of time worked at occupation

(Repeat for each occupation - maximum of 5 latest)

Number of employers in last 5 years.

4. Employee Work History at Current Employer.

Department

Position

Type of work

Date started

(Repeat for each position held - maximum of 10 latest)

Current status at latest permanent position.

Date of current status

All personnel actions processed.

5. Salary Information.

Monthly basic salary

Date of increase

Type of increase.

(Repeat above for each increase for last 5 years)

Salary grade code

Percentage of last bonus

Date of last bonus

6. Assessment and Appraisal Information.

Performance Rating

Assessment Data

Promotability

Assessment centre scores

College graduate review system data

Observation

7. Vacation Data.8. Recruiting Resources Information.

Recruiting source

Geographic area of home town

Geographic area of last school

9. Termination Data

Termination date

Reasons for termination

Rehire recommendation

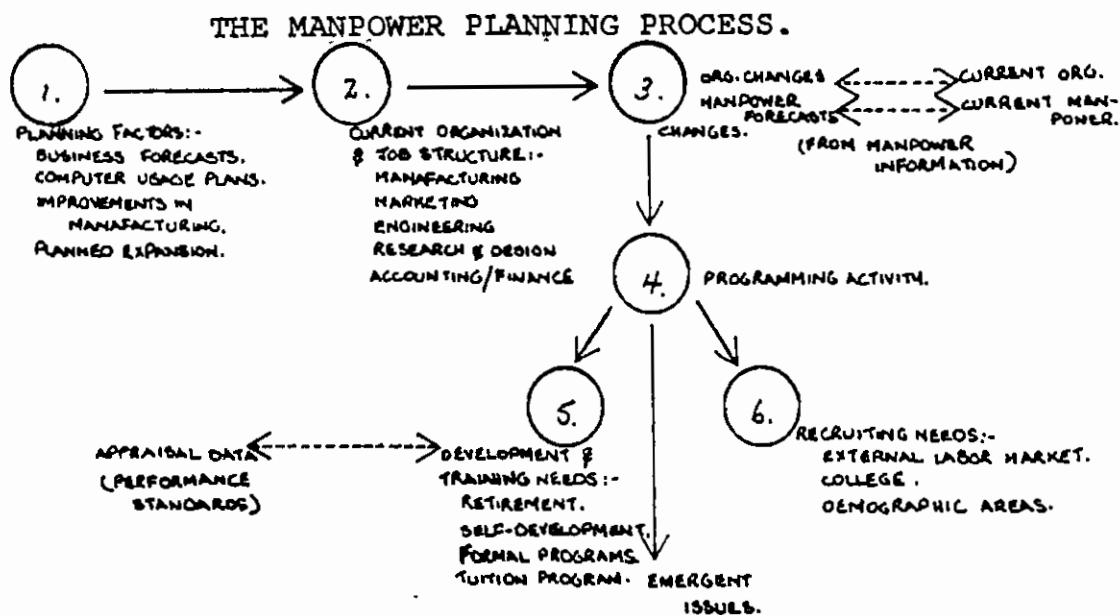
In connection with this model, it is worth noting, that it was in fact developed for a company in the steel industry in the U.S.A. and was successfully introduced and implemented in progressive stages over a five year period.

3.5 Manpower Programming.

When looking at Manpower Programming, it would be correct to regard it as the action part of the overall manpower planning system. It is the stage at which thought is given to the aspect of what requires to be done to bring the plan to fruition. Burack (ibid p.61) describes the situation by saying that there are two components which comprise the actual conduct of manpower planning as a whole, of which the first component is forecasting built in a manpower inventory and manpower information systems, linked to the overall plan of the organisation. Quoting him on the second component, he says "2. A programming component which specifies the implementation steps responsive to the forecast e.g. how to and where to recruit needed numbers and types of future employees; how to audit personnel already within the organisation to determine the degree to which future needs might be met through organisational training and educational opportunities; and related matters." Perhaps the simplest means of illustrating Burack's statement, is to reproduce here his Exhibit 4.3 (ibid p.62)

FIG 3.6

EXHIBIT 4.3



Steps 4 and 5 help to illustrate diagrammatically the programming activity which is subsequent to, but supportive of, the planning function. Burack continues (ibid p.72) to define manpower programming, and then also to differentiate it from the traditional personnel function as follows "Programming encompasses the translation of manpower plans into a series of integrated activities for the achievement of objectives, it is an indispensable part of manpower planning concepts. Manpower programming differs from the traditional personnel function because it is:

1. Directly related to implementing the manpower plan, and
2. Typically carried out in future time space in the goals means fashion previously described (see Exhibit 4.7 in 3.2).

Programming is made up of an inter-related system of activities which, when adequately co-ordinated satisfy the objectives of particular manpower plans. These activities include:

1. Recruitment and placement: screening, selection hiring, staffing training and specifications.
2. Manpower audits: replacement, performance appraisal, analysis and performance review.
3. Appraisal: good setting, standards and performance review.

4. Education/development: individuals, groups and organisations, career and skill development."

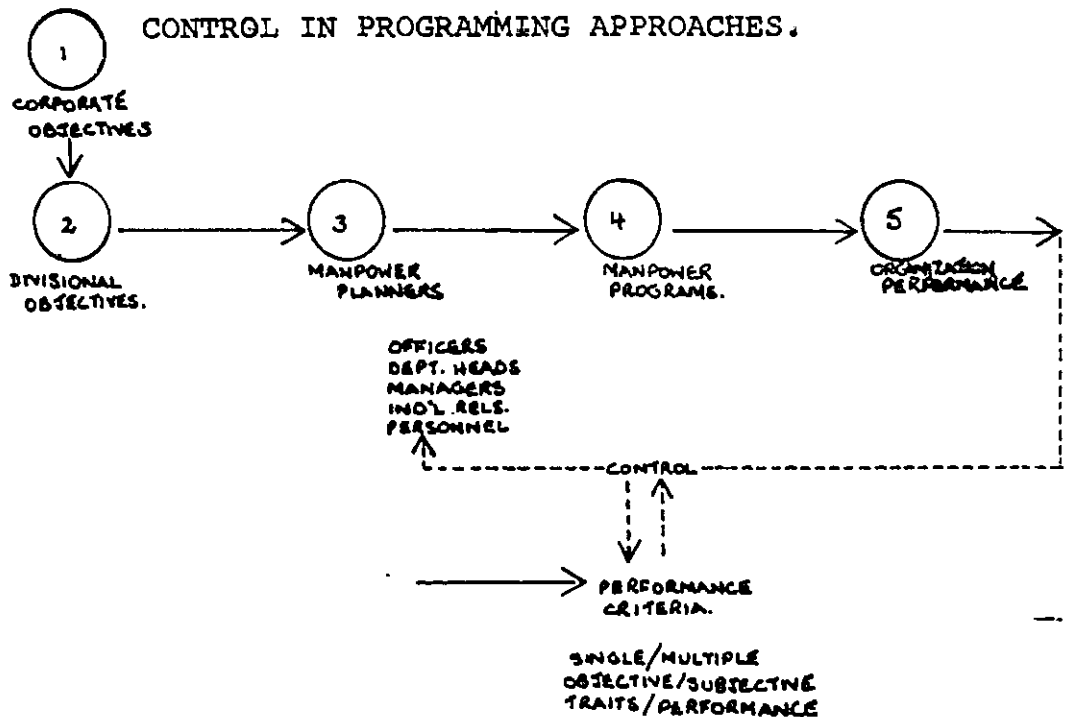
In closing he (Burack) (ibid p.72) further states that program design is a matter of strategy. This proposition would also seem to be valid, since one factor which applies to manpower programs no less than any other program is the question of time horizon, in which the time horizon of the overall organisation strategy is a major influencing factor, together with such aspects as the state, both present and future forecast, of the external labour market, education and development level and culture of the available labour, present level of manpower audit. etc.

It is accepted that a continuing appraisal of the performance of people held in a manpower inventory is essential, and appraisal will therefore be dealt with in fuller detail in this chapter in 3.6.3 under Performance Reviews, as a vital component of the manpower program. Indeed Burack (ibid p.75) makes the point "Appraisal is an integral part of programming, since it provides the basis for determining individual education and training needs as well as promotion potential." As a guide to the need, or otherwise, for external recruitment, valid appraisal against well set performance standards cannot be bettered.

Two further views of Burack on manpower programming are worthy of study and may be accepted: Firstly on control (ibid p.72) he observes "Monitoring, signalling and regulating capabilities must be integral parts of a programming system. The systems approach suggested in Exhibit 4.10 is a prototype of the support indispensable to timely, economic achievement of manpower goals." Exhibit 4.10 (ibid p.74) is reproduced here, and apart from the monitoring and control correction action loop, it also depicts very accurately the tie-up between organisation objectives, manpower planning, manpower programming and organisation performance.

FIG. 3.7

EXHIBIT 4.10



In considering the above exhibit, it is suggested that there is one possible improvement in the inclusion of a loop to link 'Divisional Objectives' to 'Performance Criteria' through a step marked 'M.B.O. - Managers and Subordinates, to identify the source against which the Performance Criteria are evaluated. Secondly Burack (ibid p.85) cites certain guideposts which he considers to be indispensable to manpower programming success, which are presented in his Exhibit 4.15. This exhibit is produced here.

FIG. 3.8.

Exhibit 4.15 Guideposts for success in manpower programming.

Corporate/Institutional Planning.

.Planning that is in sufficient detail and far enough in advance to permit the formulation of manpower objectives.

Manpower Policy.

.A well thought out, believable plan, communicated to all authority levels, which establishes the climate for participation and support of all managers.

- .Resource commitments and budget line which demonstrates top management active endorsement of the program.
- .Demonstration of fairness in selection and commitment.
- .Reflection of a reward climate demonstrating program importance.

Consistency.

- .Development on a continuing basis over an extended time interval avoiding any connotation of a "one time" program.

Resident Management - Supervisory Support.

- .Developing the whole-hearted co-operation of enlightened understanding of men who assume working roles of leadership, decision making and those other attributes of a successful manager.
- .Reward climate consistent with efforts of participants.

Co-worker Support.

- .Developing the understanding and co-operation of personnel who function as co-workers of those in training.
- .Installing confidence in the logic and choices of candidates for manpower development programs.

Information - data Base.

- .Information that is in sufficient detail to permit the various assessment centre activities to take place.

Audit/Control and Review.

- .Continuing review of the progress of manpower resources as they pursue their careers.
- .Review of the activities of the assessment centre relative to goal achievement and redirection towards promising new areas of activity.

These 'guideposts' of course bear a close relationship

to the steps shown in the systems approach given in Exhibit 4.10 already shown, but provide considerably more detail of the requirements at each stage. Three aspects stressed are perhaps worth noting, although they are not expressed in precisely these words, they are none the less implied and can be thought to be mandatory-honesty of purpose, commitment and a supportive climate. In addition of course, both plan and program must be workable and financially viable, otherwise it will fail to gain acceptance at the highest levels of the organisation, and be another system that has failed in its purpose.

3.6 Manpower Training and Development.

Manpower Training and Development have a number of components, and attention will now be given to these in some detail, but before considering the activities that make up Manpower Training and Development an initial look is necessary at who is affected by, and interested in this most important aspect of manpower planning. Basically two groups have interest in, and are affected by the output from Manpower Training and Development in the organisation and the individual employees of the organisation. The organisation viewpoint is well summed up by Strauss and Sayles (1967 p.449) "Few organisations can take for granted that there will always be enough workers available to fill all the jobs that must be manned. Consequently, one of the most pressing responsibilities of management is to attract to the firm and develop within the organisation enough people to handle present positions and to move into vacancies created by changes in the company's business, retirement rate and other factors.

A stream of qualified personnel must be kept flowing into the organisation and through the various promotional, training and transfer channels designed to allocate scarce human resources. This is a continuing responsibility for no organisation is static. Employees are always leaving; and shortages are always developing at certain points, surpluses at others."

The organisation thus has a vested interest in the

training and development of its manpower, since attempting to operate under conditions where the human resources of the enterprise are not as efficient and effective (i.e. well trained and developed to the maximum possible of their potential) as they can viably be made, places a strong competitive edge in the hands of more far-sighted and pro-active competitors.

Considering now the view of the individual, this has been well put by McBeath (ibid p.4) "The individual... taking his own view of his career plan, needs both encouragement to develop his abilities and help to understand and appreciate the factors which apply generally, and especially, to himself. He must be able to see an effective staff development scheme, see the potential scope for his own career to develop and obtain reasonable job satisfaction currently and in the future. He needs to see these clearly." This seems perfectly logical, since, lacking job satisfaction and future prospects, an employee will seek these elsewhere, and if nothing is available, the result will be a dissatisfied, ineffective and inefficient employee, who is a liability to his employers in place of being an asset now and in the future.

Manpower training and development, should therefore be of paramount concern to the organisation in the introduction and maintenance of a good manpower plan.

3.6.1 Career Planning. Career Planning (a most important aspect of manpower training and development) is largely a company or organisations' responsibility. The individual employee has, of course, his part to play as he must use to his best advantage, the advancement opportunities and training offered, with the proviso, that the future use which his employers propose to make of him in higher and more responsible levels of the organisation agrees with his own personal future objectives to an acceptable degree.

However the initiative to a very large extent rests with the employer, and since, as has been said, people are the most important normally of the resources and assets of the company, Career Planning is a most important area in an organisation's planned efforts to survive and grow. In this context McBeath (ibid p.6) has commented "Existing employees are valuable assets and their development to fit evolving organisation demands can be tailored to provide increased remuneration potential and job satisfaction, and therefore achievement." Later (ibid p.8) he extends this to say "While a company plans to staff its organisation effectively and with continuity, -- it must take into account the needs and desires of its employees to develop, and indeed, take heed of this growth in abilities, to how it employs them. The pattern of individual careers is, therefore, an important part of the whole. It is the key to success with the overall plan or may destroy the plan which dares to ignore it." Burack (ibid p.141) also links the organisation and the individual by saying "Career Planning unites organisational manpower planning with individual needs, capabilities and aspirations." It must seem apparent therefore, that the overall manpower plan must extend through the manpower inventory and manpower information system to career planning, which in turn must be supported Training and Development, which in turn are maintained and corrected by Performance Appraisal - all these forming the manpower programming activities which are the 'action' section of the overall manpower plan.

The aspects of paramount importance to the company in career planning, are whether optimum plans are laid for best use of the talent available (recorded in the manpower information system), is the future provision for long term manning requirements adequate, and are the employees as a whole satisfied with the measures

taken to ensure their continuing advancement in their careers as far as is possible for them to rise.

As far as the individual view point is concerned, McBeath (ibid p.141) has this to say "The man of high calibre, and with his sights set high, is unlikely to accept any work situation in which he feels he may not grow satisfactorily. The effect of his loss on the company's growth potential is unlikely to interest him, his 'loyalty' (if that is the right word) will only be held by prospect of advancement." Hill and Harbison's comments quoted in 3.3 under Man- power Planning have much relevance here as well.

Hence it would seem obvious that not only is a good career planning scheme necessary, it must also be apparent to the employees that it exists and is operating satisfactorily, as only visible results carry conviction to employees in the areas of promotion and advancement. A statement by Vetter (ibid p.53) is also applicable here "Mapping of strategies to achieve overall manpower goals must usually be accompanied by efforts that will assist in directing the careers of individuals.....the objective.....is to assure that individuals are given full opportunity to demonstrate their capabilities and skills." This comment focuses on 'opportunity' and is worth noting since training and skill development for employees will only lead to their frustration, if opportunities to use the additional skills developed are denied to them.

Since, as has been said, career planning is largely a company responsibility and function, it may be rewarding to consider the company's viewpoint in further detail. In the company's eyes, career planning should fill a vital role in making provision for future succession to posts left vacant by retirement, death or term-

ination of service of the past incumbent for any reason. In addition, when linked through the manpower plan, to the corporate strategy for the future, it becomes possible to plan in advance for both growth and obsolescence in specific areas of the organisation operations. It is a major weapon in removing the reaction element to change facing the organisation, and enabling the company to be innovative and to anticipate the changes which continually face it. On the company's viewpoint the statement is made by McBeath (ibid pp 146/147) "from the company's career planning viewpoint, future potential replacements for all key positions -- should be identified and the individual's weaknesses in relation to the requirements of the post marked out to enable them to be reduced gradually, as part of an insurance policy. To cover its requirements, the company must make a series of further appraisals of individual employees. For each vacancy, which will or may exist, not only does the company need to know who is most able to fill it, but also what further development and training he requires before he does so." Perhaps one extension could be made to this statement of McBeath's - the process is ongoing and continuous, evaluations, appraisals and up-dating of career planning are never ending.

Finally, looking at the scope of the career plan, McBeath (ibid p.159) discusses the effect -- of organisation size on the plan. "The smaller or medium sized organisation can generally look at its complete career development at one time. The group of companies, whether operating through a series of subsidiaries, divisions or regions will tend to have plans prepared in each major unit."

This seems an acceptable approach, since McBeath

comments further that these plans must be brought together for audit to ensure the best possible future use of staff. This is essential, as prospects for promotion of good potential people may be overlooked on a group basis, unless the divisional plans are co-ordinated at high level in the group. High level co-ordination would be necessary, since it is possible that resistance to inter-divisional mobility would be encountered with the divisions due to reluctance to lose staff of high calibre and potential to another division, despite limited opportunities existing for the progress of people in the division concerned. Under these circumstances it would undoubtedly become necessary for high level pressure to be brought to bear to gain acceptance of the desired and planned staff movements, and to overcome parochial divisional opposition.

3.6.2 Training and Development. These two areas, training and development, can perhaps be regarded as the first steps in the implementation of the company's career plans for its employees. Through training and development, the company hopes to see the career plan that it has drawn up for its employees bear fruit, and ensure an adequate and continuing supply of people with the required skills and capabilities needed to man its operations, as effectively and efficiently as it desires.

A simple definition of training could perhaps be deemed the provision of tuition course, whether in-company or company sponsored external training to inculcate the necessary theoretical knowledge into employees at varying levels, to equip them with the theory background required for the next promotional step.. However the step between theory and practice is frequently a big one, and while an employee may possess

all the theoretical knowledge necessary, he may still fail to make a success of a higher post due to inadequate development as a manager for the post concerned. Bowen (ibid p.86) expresses it this way "What then is management development? It is a process in which an individual increasingly makes more important decisions under pressure and makes them right. Moreover most really important decisions require the weighing of intangibles, and most of the important intangibles are related to human attitudes and capabilities." The problem now arises - how is the process of management development put into action? Very little appears to have been written on this aspect of manpower planning that has much substance, and Bowen in fact says (ibid p.85) "the way to achieve real management development goals, is to test people under fire. Under this system growth is demonstrated when the individual makes consistently good decisions in increasingly complex situations involving higher and higher stakes....Thus testing under fire achieves development by simply exposing candidates to progressively more difficult situations, so they can develop the confidence that makes them more effective decision makers." The difficulty here is that the whole basis for this idea is experimental, and can be costly if wrong choices are frequently made of people for development. Burack proposes an alternative method where candidates for development and training are considered and screened by an assessment centre team consisting of managers from a fairly wide spectrum of disciplines to evaluate people for possible future potential. McBeath (ibid p.91) does comment "Training and development plans are implementation plans which follow identification of what we need to do." The problem however as mentioned lies in the selection of people through whom the plan must be

implemented after training and development has been done, and here it is felt that Burack's assessment centre concept is worth trying. The problem of identifying people with potential for development is indeed a knotty one and French (1969 p.24) has this to offer "Most individuals have drives towards personal growth and development and these are most likely to be actualised in an environment which is both supportive and challenging. Most people desire to make, and are capable of making a much higher level of contribution to the attainment of organisation goals than most organisational environment will permit." Bowen (ibid p.86) looks at the question of identification of potential this way "identification of suitable people is made on the basis of their demonstrated potential and involves decisions much like those associated with investing in a new-venture and the same author (p.87) elaborates "The key requirement is that individuals who show promise (must) be given the opportunity to make real decisions, and that they (must) be judged on their performance". Both Bowen and French appear to be advocates of the 'junior board formation' school of thought, and what they are in effect advising is judging people on their past performance record on the assumption that success will breed success. In fact French's approach appears to assume that people will rise to meet the demands of given situations. Uncertainty is rife in these approaches to identification of potential for development, and while it would be foolish to disregard individual past performance, subjective judgement of potential can to some extent be eliminated by the use of Burack's proposal of a multi-disciplinary assessment centre panel to screen possible candidates.

Accepting now that candidates have been chosen for training and development, an important aspect is the one affecting the manager of the person undergoing training and development. McBeath (ibid p.135) expresses a view on this point "While most individuals are interested in advancing their own careers, managers and supervisors also have a responsibility for advancing the careers of their staff. If this is to be done successfully, the development requirements of each individual must be appraised and his career assignments planned accordingly." This stresses the major role played by line management in manpower development, and makes obvious the need for encouragement of, and the provision of opportunity for the subordinate, by the senior.

A method of development that has been sometimes recommended is that of job rotation, but, it is felt, this method must be used with care, and a constant watch must be kept on the trainee's progress to ensure that the desired results are being achieved. A warning note is sounded here by Vetter (ibid p.72) "Job rotation and transfer, important as they are to the development process must be tempered by the recognition that mere exposure to a variety of jobs does not insure that the desired learning and development are occurring ", and also Bowen (ibid p.86) "It is always possible that a candidate may adapt to working in a field that differs widely from the one in which he has been engaged, but the odds are not good." Changes of field are best made, perhaps, in a series of steps, if that is possible.

The objectives of training and development should of course be to ensure that the full potential of employees is available to the company, if and when ultimately required, since

buying the skills and capabilities needed in the external labour market is expensive, and can be particularly so, if high talent people, or people from disciplines or technologies in short supply need to be recruited continually from outside the company. McBeath (ibid p.7) has this to say on this point "Properly planned development is designed to bring out all the usable latest abilities of one individual (and reduce limitations set by any faults)." Again he says (p.130) "The growth rate of an organisation is likely to be limited more by its personnel than any other factor.... The ability to maintain and hold good people... is influenced to an ever greater extent by the ability of a company to provide opportunities to each individual to develop fully, to utilise his abilities to the full, and to find continuing job satisfaction", and finally the same author (p.131) "The initial function of training in industry is to assist in developing and providing the skills which the employer requires."

Failure to extend to the fullest the potential available within the company at all levels by means of training and development will mean that the company in turn will never achieve its best possible performance and it will thus fall short of reaching its established goals. Von der Embse has stated (1973 p.908) "Organisational objectives should be the ultimate concern of any training and development effort" while Vetter (ibid p.24) makes the point "The manager operating below his capacity in a non-challenging assignment, however, may depreciate in value through a lack of use." This last comment illustrates perhaps the danger of allowing an asset from amongst the company's most valuable resources - its people - to decline in value through neglect.

Implicit in the requirements of a good manpower training scheme is the need for in-company courses and seminars designed to improve knowledge of company products, markets systems procedures etc. However, equally important though not always recognised is the need for a good scheme to support and encourage self education via external tuition. Burack (ibid p.154) comments on this aspect as follows, "Stimulating individual initiative for occupational growth is a significant dimension of manpower development. Efforts to stimulate the individual through tuition reimbursement plans are now widespread, yet there are substantial grounds both for doubting the sincerity of organisational commitments to such plans, and for questioning many of the individual features." He goes on to say (p.154) "A fundamental point is that every tuition plan acquires substance through explicit acknowledgement in corporate policy. "No argument is advanced here for indiscriminate study - the criteria should be aims of improved knowledge and improved job performance, a preparation for a future assignment or promotion, not merely the collection of diplomas or degrees on a haphazard basis. Again quoting from Burack (ibid p.186) "Corporate value systems are needed which will encourage individual development" and also (p.164) "A viable effective tuition support program cannot be achieved without systematic managerial attention." As a closing thought on lethargic management in this field he observes (p.164) "It is likely, that only as an organisation places high priority on its overall manpower programming efforts will its tuition support programs become the subject of intelligent scrutiny." There is also a powerful case for tuition support in certain directions to overcome or combat obsolescence of people. Suitably motivated, people

can be given (internally and externally) additional training in related spheres to their normal occupations to maintain their value to the company and in certain cases increase their potential uses further rather than allowing their talents to be wasted. As Burack (ibid p.189) comments "A premium is being placed on ability to comprehend and to adapt to changes. Policies and programs designed to foster such abilities are the essence of efforts to control managerial obsolescence".

Reasons commonly found for the absence of, or luke warmness in relation to tuition support programs in many companies, are given as loss of money in unrecoverable expense of employees terminating within a short period of completion of the tuition, and termination during tuition period, or excessive numbers of people who are unsuitable wishing to participate in the scheme, and the feeling that this type of thing is unnecessary, that it is cheaper to buy needed skills from the external labour market already trained, and finally the view that a comprehensive tuition support program is too unwieldy to control properly. Here it is worth reproducing from Burack his Exhibit 6.7 (p.157/8) which lists a summary of the features of successful tuition support programs already developed and in operation. Since these features are already embodied in successful program, they should make a worthwhile basis for such a program.

FIG. 3.9.

Exhibit 6.7.

A workable program of tuition support is possible

1. When the organisation decrees that organisational units need not be 'large' to participate.
2. When organisational policy is clear as to

eligibility for participation in terms of courses, programs and individual criteria.

3. When the relevant organisational unit assumes an active role in surveying local educational resources and stimulating the provisions of added facilities and programs, such as vocational training, technology programs, broadening of university extension programs and educational seminars. Organisations may have to experiment with support of new educational formats.
4. When improved profit performance, higher productivity and lower costs - along with new higher performance equipment and/or computer usage - require 'thinking smarter and faster'.
5. When the organisation recognises that some elements of 'thinking smart' increasingly require new structured areas of knowledge not provided by work experience above.
6. When some kind of tangible connection is established and cultivated between participation and work-related benefits; that is when there is:
 - a) A clear stand by management on the extent to which educational participation bears on salary increases on promotion; and
 - b) Specific recognition as a part of periodic performance review sessions.
7. When time-off-work adjustments are made which present individuals, to meet class schedules, including travel time.
8. When management and supervisors regularly 'talk up' subordinate participation and make sure that the program is communicated to all relevant levels and personnel

9. When the organisation recognises that 'going back to school' may cause personal conflicts for potential participants and seeks to overcome them. These typically include anxiety over possible failure, complications of family life, and adjustments to school work load (homework) demands.
10. When organisation support is at least 75 per cent of tuition cost - with no delays in reimbursement or special conditions such as future employment agreements.
11. When periodic audits of participation rates and participation experiences are made. This information should be consolidated for purposes of (a) counselling with future participants, and (b) removing bottlenecks to effective utilisation of the tuition support program.
12. When the organisation make the assumption that the effectiveness of educational approaches for participants requires continuing study of both costs and benefits, to avoid premature cutbacks on excessive expenditures of funds.

3.6.3 Management by Objectives, Performance Standards and Performance Appraisal. To be truly successful, and effective, Manpower and Succession Planning depend on a constant feedback of evaluating information regarding the performance of employees at all levels. These are essential if potential is to be gauged and the internal deficit of suitable employees is to be identified in sufficient time to enable either the internal training or external recruitment steps to be accomplished. This evaluatory information can only be provided, and be meaningful, if the appraisal of performance achieved is measured against set standards which in turn are linked to

agreed objectives for employees. These components of Manpower and Succession Planning will now be considered.

Management by Objectives requires interaction between manager and subordinate at all levels. Rieder (1973 p.64) states "Management by objectives and performance development go hand in hand, as long as the individual can be a true part of the action." He further goes on to say (p.65) "Reinforcement of strong performance breeds more strong performance. Goal setting must place the premium on what an individual can or could do uncommonly well." This reviews the individual's part in the setting of objectives and stresses the need for the participation of the individual, and also seeks individual commitment. On this aspect of commitment, Koontz (1973 p.15) observes. "One of the great advantages of managing by objectives is that it elicits commitment for performance." Koontz then goes on to comment on attainability of objectives and states (ibid p.15) "One of the major problems is getting objectives that are attainable, but not easily so." He places the onus for this rightly on the manager and says (ibid p.18) "The question of whether goals are adequate can only be answered by the judgement and experience of the man's superior," and finally (ibid p.18) "There is no question that the superior must approve and have the last say on the subordinates goals. But there is also no question that completely setting goals for subordinates is self-defeating." This would seem to indicate clearly that while there must be participation, agreement and commitment from the subordinate, the responsibility for the setting of attainable goals which are also satisfactory to the company rests with the superior. On management by objectives generally, Koontz makes the following statement

(ibid p.14) "Managers are forced to think of planning for results, rather than merely planning activities on work;" and again "delegation should be done in accordance with results expected, and to the extent possible goal assignments should be consistent with a position that carries clear responsibility for their "accomplishment." Objectives must thus be agreed, attainable and within the responsibility of the person committed to their achievement. The ideals of management by objectives are further illustrated by Koontz (ibid p.18) where he states "Management by objectives must be a way of managing, a way of planning, as well as the key to organising, staffing, leading and controlling." He also gives a word of warning on the relevance needed, by saying (p.18 ibid)"For a manager to try to achieve an obsolete objective is as foolhardy as to have him work towards accomplishing an obsolete project." Thus the objectives set should be future oriented if the danger of obsolescence is to be avoided in reaching agreement.

Finally Koontz (ibid p.14) links appraisal to management by objectives by saying "Once a program of managing by objectives effectively, appraisal is a fairly easy step."

Hand in hand with management by objectives, must be considered Performance Standards, since the acceptability or otherwise of performance must be measured against a yardstick. A good definition of a performance standard appears to be given by Widdop (ibid p.15) is the need for interaction in agreeing performance standards "More and more, managers are coming to realise that the real value of performance standards is not the 'statement', but the human interaction between a man and his boss in developing the standard."

Finally, areas in which problems can arise with performance are highlighted by Widdop (ibid p.18), with his observation "Similar performance areas may be measured for similar jobs, but the specific measurements are agreed to individually for each man," and McBeath (ibid p.109) has this to say "we need to ensure that acceptable standards of performance are both identified and communicated. The individual who is highly motivated by achievement will strive to beat any agreed target, but will remain frustrated and less effective if he lacks a standard."

The need for clear, agreed, attainable and progressive objectives and standards seem to be obvious if the individual is to be motivated and committed to producing his best possible results, and interaction between boss and subordinate must be of a high quality.

Unless appraisal is carried out, and that, effectively, time spent in setting objectives and standards is wasted. Again a major feature would be the interaction between boss and subordinate and a harmonious relationship is needed to ensure that the approach to appraisal commented on by Rieder (ibid p.61) is avoided." All too many recipients of reviews perceive this vehicle as a reward/punishment process." The need for interaction and indeed partnership between boss and subordinate is stressed by the same writer (p.64 ibid) "the partner relationship of manager and associate in making joint progress" and again (ibid P.65) "A yearly appraisal pales by comparison with supportive managerial relations on a regular basis," and (ibid p.66) the manager must show his personal involvement and freedom from strictly mercenary considerations. Koontz (ibid p.15) also adds weight to the need for major management guidance and leadership" an atmosphere of the superior

working with and helping his subordinate - not sitting in remote judgement on him."

It appears that the superior or manager must take the lead in forming the partnership aimed at developing the subordinate and assisting him to meet the agreed objectives and standards. This naturally enough would require trained and developed managers with skill in human relationships, from the highest level of management downwards.

In a criticism of managerial appraisal Koontz (ibid p.11) notes that "despite the great strides made in management quality and sophistication in the past quarter century, appraisal of management is still largely ineffectual." The failure appears to lie in a lack of understanding of what should be appraised, and here Koontz (ibid p.11) comments "management appraisal should measure performance as a manager in reaching goals, for which a manager in whatever position he occupies is responsible." Koontz feels that a valid appraisal of a manager should judge his performance in goal and plan accomplishment, and his performance as a manager. He suggests a five point appraisal program for managers, which would require that the program should (1) measure the right things; (2) be operational; (3) be objective; (4) be acceptable; and (5) be constructive. This approach links well with the requirements for the successful setting and performance standards for management. Kellogg (1965 p.17) recommends for attention "subjectivity does limit the value of a managers appraisal" but extends this later by saying (ibid p.21) "managers should approach employees appraisals as a thoughtful serious matter, for which they are accountable.

Thought on the potential of, and need for performance appraisal is given by McBeath (ibid p.91)

with the observation "Appraisal of existing performance supplements the inventory, telling us a great deal about the effectiveness of our present deployment of skills and identifying immediate needs. Burack (ibid p.75) supports this approach by saying "appraisal is an integral part of programming, since it provides the basis for determining individual education and training needs as well as promotion potential."

Features of performance appraisal needing special attention are pointed out by Rieder (ibid p.65) "A wide spectrum of skills abilities, potential, aspirations, levels of existence and personalities are represented in a corporate community. Appraisal systems must take this into account. Slavish adherence to rating forms, strict procedures and limited hand copy reports can place obstacles in the way to unleashing human talent". Koontz (ibid p.18) warns of poor control of appraisal "In every program, progress toward goal accomplishment is not adequately monitored", and finally Burack (ibid p.77) states "An appraisal program based on incomplete personnel files or poor supporting information is self-defeating and may lead to serious misstatements of available manpower resources in terms of immediate job relevance and promotability.

Strauss and Sayles (ibid pp 550-567) comment on ratings and appraisals and concern themselves to a large degree on the problems of subjectivity, varying standards of appraisal by managers, and the deficiencies of traditional rating scales. The same authors (p.559) observe "Evaluation interviews are not easy. Poorly handled they may lead to hostility and greater misunderstanding. Consequently many companies have spent a good deal of time and effort on training their managers to handle evaluation interviews, giving particular emphasis to skill in the use

of non-directive techniques." During the appraisal session, the evaluation made of the individual centres largely around strength and weaknesses as identified by the senior during his appraisal of the subordinate. Here, although it is accepted that limitations will exist, a rating form which considers independently such performance aspects as Job Knowledge, Judgement, Organising Ability, Attitude, Dependability, Creativity, People Relationships, Delegation, Leadership, Personal Efficiency etc., could be considered useful, as they should give indications of where the strengths and weaknesses of the individuals appraised lie. -- Perhaps it could also be considered advisable for the rating forms to be considered by a committee consisting of the two levels of management above the individual appraised, together with the personnel manager, and any other seniors in a position to appraise the performance being considered. This may help to focus on the strengths and weaknesses of the individual concerned, and bring some measure of uniformity into ratings, while reducing the impact of subjectivity. A further possible advantage here may be that strengths and weaknesses could be considered in light of their weighted impact on the post evaluated, since the influence of a particular strength or weakness will vary from job to job according to specific circumstances.

Management by Objectives, setting of Performance Standards and Performance Appraisal would seem to require a high degree of dedication and understanding from the senior in particular. To be effective communication must be good, and a partnership approach must exist if the interaction between superior and subordinate is to be well directed and useful. The superior must exercise control and monitor results, so that corrective action can be applied if the sub-

ordinate is moving away badly from the set and accepted objectives and performance standards. It is only by frequency of contact - largely on a somewhat informal basis - that both parties to these vital functions will improve their techniques and performance in their areas of the Manpower and Succession Planning systems.

3.7 Ethnic Considerations.

The increasing role played by the Black population in business and industry in South Africa would seem to necessitate some thought being given to the need to plan the deployment and use within an enterprise, of this section of the population. Not much information appears to be available here, but in some respects a parallel can be drawn between the position of Black employees in South Africa and the section of the population in the U.S.A. by Burack (ibid p.195) as "disadvantaged". He observes (again P.195) "Attempts to integrate disadvantaged people into work forces have encountered many barriers including

1. Racial intolerance and lack of empathy for the plight of people who have known little of good homes and adequate living standards.
2. High costs of training and support for up-dating basic knowledge areas (reading, writing and arithmetic) let alone skill training for specific jobs.
3. Dead-end jobs, which provide immediate employment but are not part of a large range strategy of employment. The individual is provided only with capabilities to meet immediate needs, not with reasonable chances for upward mobility.
4. Lack of managerial sophistication in putting organisational - behavioural concepts to work."

To a large extent, these same barriers seem to apply in South Africa today, but with the ever-increasing demands for labour of all types in this country, attention must be given to major training schemes for Black workers, industrial, clerical and professional.

Already in industry Black supervisors controlling Black labour are common, and it seems essential that an approach to Manpower and Succession Planning be applied, if the best results are to be achieved from Black supervisors and managers in their employment. The same systems of planning, programming, inventory compilation, information systems, training and development could be used, and should be used, if a company is to optimise the use of the whole labour force (within the limits of Job Reservation): This would no doubt be a costly undertaking, but a start could be made with the supervisory levels of Black labour, with full scale aptitude and intelligence testing being done of the rank and file of the Black labour force in an effort to find and identify potential for higher training and education. In the future, it does not appear possible to control and administer this field of manpower on a haphazard and largely uncontrolled basis.

3.8 Comments.

In closing this chapter, a few final points should be stated and stressed.

Without a supportive climate from management at all levels, the manpower planner cannot succeed in his task, Burack (ibid p.185) and Vetter (ibid pp 37,59 and 192) have commented strongly on this point.

The company controlling, planning and programming its manpower needs can capitalise on opportunities and gain advantages over its competitors. McBeath (ibid p.8) states "real effectiveness in the case of manpower resources is often the crucial advantage in a company's long term success over its competitors." Burack (ibid p.194) observes "Positive managerial manpower activities clearly require continuing and sophisticated attention to forecasting of manpower needs, monitoring changes in terms of their impact on managers and alerting individuals to opportunities as well as the hazards of technical change.

Vetter (ibid p.26) comments "Success is measured by whether the organisation has the management personnel it requires when needed," and (ibid p.30) regards the main thrust of the planning and programming as being directed to the movement of the manpower of the company from its current status to its desired status in the future. He considers success (ibid p.38) to be a large extent dependent on the controls used to check performance, and regular reviews of the work by the manpower planner. This can be accepted since the point has been made that Manpower and Succession Planning must be ongoing processes.

Vetter (ibid pp 191-194) makes further recommendations for the manpower planner which seem sensible. He suggests that in an organisation undertaking manpower planning for the first time, that it is advisable for the planner to gain credibility by attacking initially a few manpower activities where the benefits will be both visible and quick in coming. A further suggestion is the compilation of a manpower inventory to identify possible weaknesses in the structure due to a large number of impending retirements. He further focuses on possible opposition by some managers and the need for behavioural skills in the planner to avoid frustration and confrontation.

Finally the position in which the manpower planner should be located in the organisation structure requires some thought. Argument exists in favour of placing him in the Personnel Department. However the danger here is that additional irrelevant duties may be forced upon him to the detriment of his true function. Perhaps in a major divisionalised corporation the right approach would be for the manpower planner to report at corporate level with functional links to the personnel department in the division to ensure input information for inventories and information systems held at those sources whence would also come the latest evaluation and appraisal results. This structure would free him to set the group manpower and succession plans, and draw up and implement the program and institute a training and

development program.

Chapter 4 will analyse the existing situation in the group in relation to the normative theory given above.

CHAPTER IV

- 4.0 Comparison of Existing Activities with Normative Theory.
- 4.1 Manpower Planning.
 - 4.2.1 Manpower Inventory.
 - 4.2.2 Manpower Information Systems.
- 4.3 Manpower Programming.
- 4.4 Manpower Training and Development.
 - 4.4.1 Career Planning
 - 4.4.2 Training and Development
 - 4.4.3 Management by Objectives, Performance Standards and Performance Appraisal.
- 4.5 Ethnics Considerations.
- 4.6 Comment.

CHAPTER IV4.0 Comparison of Existing Activities with Normative Theory.

With the establishment of the normative theory in Chapter 3, it should now be possible to investigate the differences between the existing situation considered in Chapter 2 and the theory base with a view to later making recommendations for the course to be followed by the group in the future.

4.1 Manpower Planning.

In the discussion in Chapter 3 on the normative theory required, a definition of Manpower Planning, and the need for Manpower Planning to an organisation were illustrated in the appropriate sections (3.1 and 3.2). The point was made clearly that to be successful Manpower Planning must be linked tightly to long term as well as the short term objectives of the firm, to ensure a steady and adequate supply of workers at all levels. The need for centralised co-ordination of divisional plans was also pointed out, as was the need for review and scrutiny of the overall plan, in addition, to the relationship to the required economic performance of the group. It was further made clear that for sound corporate health*, the most effective deployment of the group's most valuable asset - its human resources - was vital. The need to face change innovatively rather than reactively was stressed, this in a world where change is occurring at an ever increasing pace, and the need to prepare for future growth and expansion was highlighted. Accent was put on the need for ever higher skills from management today, and the danger of disregarding obsolescence, and wastage through retirement and termination of service were also noted. As has already been remarked, limited available personnel place a very real restriction on the future potential of an organisation.

Turning now to look at the specific group under scrutiny a number of serious lacks and omissions became apparent

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*Corporate health has been defined on p.45.

in their approach to Manpower Planning, and also in their awareness of the need for it as a management tool. On the information available it would seem that other than at divisional level, in a rudimentary form, manpower planning does not exist. There is no attempt to co-ordinate formally the divisional plans into an overall master plan. Long range planning for manpower requirements is nebulous and ill-defined at best, even at divisional level and can in fact be regarded as virtually non-existent. This of course could be due largely to ignorance or mis-understanding of the corporate long term objectives, plans and strategies insofar as they affect specific divisions. However no meaningful manpower forecasts appear to exist, and what planning is done appears to be by divisions on the basis of a mainly financially oriented budget and annual operating plan, covering the next financial year of operation. No assessments are made of staff required for the future, nor are the necessary skills and capabilities forecast. Contact between divisions over manpower deficiencies has, as previously stated, been informal in nature, and only takes place after often laborious internal search to satisfy the divisional internal deficit. This is all highly indicative of 'crisis' management and also leads to the conclusion that even divisional long term plans objectives and strategies are not communicated properly to managers who should be planning the uses and deployment of the human resources within the group. Haphazard planning and the absence of any controls to modify and improve the plan and forecast by means of monitoring and feedback of danger signals cannot fail to lead to sub-optimal results of the group. For the future well-being of the group, this area needs study by corporate management to decide whether in fact the group can continue to operate unplanned in this fashion.

In Chapter 3 (3.3) when Manpower Planning was considered in terms of normative theory, comments were made on the need for a supportive climate from corporate management.

There appears to be no reason to doubt that this could be achieved in the group, once understanding has been reached of the need for such a climate, for a comprehensive and suitable manpower plan to survive and flourish.

The theory of manpower planning presented has been built up from Buracks model shown earlier, and it can be accepted that this model would give a sound basis for the installation of a manpower plan and program. Logical sequences are followed in the steps shown and provision is made in the model for control, monitoring and feedback. It is accepted that minor modifications of the model might have to be made to cater for certain organisational exigencies but in the main a solid foundation for a manpower plan would be provided.

In the group, referring to the model, the manpower informations system input to Stage 2 is sadly deficient, and non-existent might not be too harsh a description, while there must be some doubt as to whether the major input to Stage 2 - Corporate Inputs from Stage 1 - are as fully detailed and well communicated as could be desired. This comment is made in light of the observations in Chapter 1 (1.3) regarding the companies taken over, and the subsequent difficulty in manning them at management level adequately.

The input to Stage 3, which calls for manpower forecasts, would also seem to be exiguous, since manpower forecasts in any detail for the long term appear neither to be developed nor available in any detail, covering skills, capabilities, qualifications or any other attributes.

Stage 4 which covers internal search, identification of internal deficit and outside recruitment, takes place, as already stated, internally largely on a divisional basis, with at best informal co-ordination operating between the divisions. A danger here is the problem of possible reluctance by a division to lose the services of a person of high calibre and potential permanently

to another division. This could be prevented by the co-ordination of divisional manpower plans and programs at corporate level.

Step 5 is in existence to some degree, but the emphasis is almost entirely on in-house training development, evaluation and feedback and still in a somewhat embryo stage, with evaluation largely being of a subjective type, not well linked to management by objectives or well founded performance standards.

Further, as also stated previously little encouragement is given to self education programs, the initiative to study to a very large extent being left in the hands of the employee. Formalised feedback on progress and potential of employees is also very sketchy, reliance being placed to a large extent on the annual appraisal for salary incremental purposes.

Summing up, only portions of Burack's model appears to be in operation in the group, and in fact it seems that large areas are largely or totally missing.

4.2.1 Manpower Inventory. The theory on the form that a manpower inventory should take has been largely adopted from McBeath, and appears to cover the bulk of the requirements which would be needed for the basic installation of an inventory of manpower. In the categories where age is a factor it is suggested that five year intervals be used to identify age groups rather than cluttering the inventory with a very wide range of clarifications. Again it is accepted that changes to suit specific organisational needs could be made (i.e. exclusion of certain headings considered not relevant) but in the main the headings listed would provide the backbone to a good manpower inventory system. The manpower inventory must of course be linked to the manpower information system, where all personal details of employees would be stated.

In the group, there does not appear to be a manpower inventory at all, complete reliance being placed on a personal details file, which tends to concentrate on only personal data. No record appears to be available giving information on the present deployment of employees, their numbers, age, qualifications or post held in the organisation. Presumably this information could be compiled by the division, but it does not appear to be held in any readily available form, nor does it appear as if the divisional information available could be easily integrated to present an inventory for the group as a whole, covering all levels of salaried and supervisory staff.

4.2.2 Manpower Information System. During the consideration of manpower information system theory in Chapter 3 (3.4.2), the assumption was made that an in-company computer was or would be available, and the normative approach to a manpower information system was built around that assumption. Two models, both by Burack were considered, the first being a fairly rudimentary and simple one, and the second rather more comprehensive and ambitious in scope. For a small or medium sized organisation, the first model would be satisfactory, but it is felt that for a large multi-divisional company with an in-house computer the second model offers more rewards from the scope and detail of the information available. Further consideration however will be given to the question of choice between the two in Chapter 5. It is accepted that since these models are based on systems in use in the U.S.A. some of the data may not be relevant in this country, although an effort was made to ensure the omission of these details from the reproduction. However, additional items of data may be found to be desirable, and the proposed

system could be extended at a later date to incorporate these. In any event a useful starting point can be found in either of the models.

As far as the group is concerned, two aspects must be recognised at the outset, before considering deficiencies. Firstly it is a multi-divisional group of fair (if not large) size, and secondly, an in-house computer is available for use in manpower information systems. In fact, to some extent, manpower information is already being stored in, and extracted from the computer.

Investigation of the data stored in the Computerised Information File (see Chapter 2 - 2.3) shows that only sixteen items of information are held about individuals in this file. To some extent, the information in the Personal Details File supplements the Computerised Information File but only a further nine items of information about the employees are available from this source.

Clearly the information held by the group regarding the past, present and future, in detail, of its employees is far too scanty to support a manpower plan and program of any scope as it exists. Too much necessary information regarding employees is missing notably of previous posts in which employed and performance therein in full detail. Combination of the two files referred to could give a basis on which to build, but the files as they stand, and the systems in use are far from providing as full a picture of employees as Burack's model.

4.3 Manpower Programming.

In the theory of Manpower Programming in Chapter 3 (3.5), it was proposed that manpower programming is the stage in the overall plan at which implementation

takes place. Three exhibits of Burack were reproduced (Exhibits 4.3, 4.10, and 4.15) to illustrate particularly the programming portion of the manpower planning process, control in programming appraisals, and guideposts to success in programming. These exhibits (notably Exhibits 4.3 and 4.10) depict very clearly where programming fits into the manpower planning process and demonstrate the important role of manpower programming in moving from a plan (statement of intent) to actuality. The steps to be taken in programming are shown to be clear and logical, and the links to both the plan and organisational performance with the control loop (Exhibit 4.10) are clearly defined.

There appears to be absence to a major degree in the group of any clear and definite steps in implementation, and in addition the controls and monitoring of performance seem to be almost totally non-existent. It is likely that this is attributable to a large extent to the absence of a full scale long range forecast of manpower, as it is extremely difficult to implement something which is ill-defined and vague. In addition the somewhat parochial nature of the operations of the divisions would seem to make the operation of any co-ordinated overall manpower plan impossible at present. At all events the formal co-ordination is entirely absent, so that in effect it could be said that manpower programming does not exist in the group even ineffectively. This can definitely be considered as a major flaw in the overall group planning performance, since it appears highly indicative of a failure to exploit its human resources properly.

4.4 Manpower Training and Development.

In the normative theory discussed in Chapter 3 (3.6), the proposition was made that training and development of personnel was an organisational necessity, to feed the company with the best possible supply of adequately trained manpower to ensure the best possible future for the company. The truth of the need for the fullest

possible training and development of manpower, must be recognised, but it is in the planning and implementation of these activities that the failure frequently occurs to carry out these operations to their fullest, so that the maximum benefits for the company are achieved. Since in the original consideration, manpower training and development was analysed in three separate components, the same procedure will be followed here.

4.4.1 Career Planning. Summarising the theory on career planning propounded in Chapter 3 (3.6.1) it could be said that career planning for employees embraces the planning of the future of the employee to ensure that with suitable training the employee would be able to achieve his full potential effectiveness in the employ of the company. At the same time through the use of good and judicious career planning and using it as an extension of the overall manpower plan, the company is assured of satisfactory Succession Planning for management, and should never find itself in the situation of crisis management or expediency planning.

Some attempts have been made in recent times in the group at management succession planning, but these have been largely divisional in nature and not on a group basis. Further the lack of adequate manpower inventory and information systems have severely hampered the efforts that have been made to implement and operate career planning. An essential pre-requisite to career planning and management succession planning is a back-up of systems giving comprehensive and relevant information about the skills, capabilities and potential of current employees. In the absence of these support systems in the group, the approach to Career planning should be regarded as haphazard at best.

4.4.2 Training and Development. In the same way that manpower programming could be regarded as the 'action' part of the overall manpower plan, or perhaps the implementation stage, training and development may be regarded similarly in relation to career planning. Points worth remembering are the need for in-company training, support for tuition programs, and the assessment centre approach to identification of potential recommended by Burack, to screen people for development. This last is particularly worthy of use, as is Burack's tuition support program guide already shown.

The in-company training provided by the group has been described in Chapter 1 (1.3.3). It could be thought that the training provided on this basis provides a start to real in-company training, but there is also the question of whether this training should not perhaps be increased in scope, and upgraded in level to gain increased benefits in terms of better trained and skilled managers. The support program for tuition has been reported in Chapter 2 (2.7) and here it could be thought that scope very definitely exists for enlarging the amount of support and encouragement provided to personnel who wish to follow the path of self-education. Support and encouragement in this field could bring benefits of great value to the group in the long term in solving manpower and management problems.

Selection of personnel has been found to be largely in the higher levels as reported in Chapter 2 (2.9) and here it might also be observed that subjective judgement plays a big part in assessing promotion potential in the lower levels. It can perhaps be doubted whether the personal opinion of one manager should carry so much weight at the lower levels, or whether perhaps an assessment centre system might not

provide a more selective basis for development of people. In closing, it must be said that in the past personnel have from time to time been selected for further training from management positions at universities full time for degree training - notably the degree of M.B.A., but these opportunities have never been advertised, and the selection appears to have been made on a purely subjective basis at corporate level.

4.4.3 Management by Objectives, Performance Standards and Performance Appraisal. The importance of this section of the manpower plan cannot be over-emphasised. As has been stated at length in the normative theory, this is the point at which individual objectives in relation to the company, and performance standards are set, and the measurement of the performances of the employee is undertaken on a formal basis of review sessions between manager and subordinate. The needs for interaction between the participants and understanding and support from the senior have been stressed at length, as has the necessity for frequent (and informal) appraisal sessions. The theory of these processes has been well established and documented by a number of authors.

In looking at the group's activities, on these aspects, it is perhaps appropriate to recall the observation of Koontz quoted in Chapter 3 (3.6.3) regarding the ineffectual appraisal of managers today, despite the progress in management quality and sophistication in recent years. The group can be thought to suffer from this problem, as the setting of objectives with subordinates is not widespread in the organisation, and where done, it is usually ineffectually done and then seldom effectively monitored by a serious appraisal session, whether formal or informal. In fact, as has been reported before,

appraisal of performance tends to take place once a year, as the justification for awarding or not as the case may be of an annual salary increment. Frequently, it may be added, even the annual appraisal session is omitted, and increments are awarded on a purely subjective basis.

Formal techniques and systems for setting rational, attainable objectives, performance standards, and for performance appraisal appear to constitute another major and serious lack in the group's approach to Manpower and Succession Planning.

4.5 Ethnic Considerations.

In this field, as previously noted, there does not appear to have been much attention given to problems arising, by any writer, and this is specifically the case in relation to South Africa. However a parallel was drawn with certain of Burack's thoughts on the problems affecting manpower planning as related to disadvantaged people in the U.S.A. In addition a suggestion was put forward, that manpower planning in full for the long term could be undertaken for the higher levels of Black labour in this country, and later be extended, to the lower levels, as the manpower plan indicated the need for it.

In this respect, the group has a system in operation - largely in the Tubes division for planning for Black labour. The system is in the process of being extended and developed to cater for the current levels of Black management and supervisory staff and should ultimately encompass all the activities of Manpower and Management and Succession Planning for Black labour, as the use of this labour became acceptable under law in higher levels of operation. There is no question, but that the use of Black labour at higher levels will become more common in the foreseeable future and in this area the group has made more progress than in its planning for white labour,

4.6 Comment.

In this chapter, discrepancies were noted and analysed between the normative theory extracted from a number of well informed sources and the position actually obtaining in the group as far as Manpower and Succession Planning were concerned.

It is perhaps opportune to state here that the information regarding the groups systems and practices have been obtained from observations and also from discussions with senior and corporate managers, notably in the Personnel Department.

At this point no recommendations will be made, as these will be put forward in Chapter 5 together with some comment on and assessment of financial cost of the proposals.

CHAPTER V

5.1 Recommendations.

5.2 Assessment of Cost.

CHAPTER V.5.1 Recommendations.

In considering the needs of the group in the areas of Manpower and Succession Planning, perhaps the first point to consider is the co-ordination of what is currently being done. Co-ordination of the present efforts, it is felt would best be achieved by the appointment of a Manpower Planner as part of the body corporate, to pull together the operations at present being carried out divisionally in manpower planning, and to collect centrally the information available from these sources. The suggestion is made that the appointment be at corporate level, to secure for the incumbent, the necessary acceptance and support initially at highest level in the group, and by the example set at this level, it is hoped that the lower levels in the group would be prepared to aid and assist actively in the furtherance of the planners duties and designs. There would naturally have to be functional responsibility from the divisional personnel managers, to send all information of any relevance to the Manpower and Succession Planning scheme to the planner, although their line responsibility would still be to the Group Personnel Manager.

The appointment of a Manpower Planner at corporate level is advised as a first measure, to enable the incumbent of this post to study a number of aspects which would need definition before a full scale program is launched. The initial consideration would perhaps be the feasibility of introduction and implementation of manpower planning into the group, with the next considerations being possibly, what initial steps to take, how to bring the scheme into operation, what systems to use, and the possibility and desirability of computerisation. Finally, the question of time horizons of the groups planning operations in the long term must be considered, and the links between corporate strategies objectives and plans to the man-

power planning system. It would be necessary that the manpower planner, regardless of his original discipline have a wide spectrum of management knowledge, covering such aspects as Human Relations, Finance, Systems and Methods, Computers etc. Certain of the functional relationships have been given above, and in addition it would be necessary for some control (again functional) to be exercised over in-company training by the manager. The current planning horizon for the group is five years, and this time horizon should be maintained.

At this juncture it is desirable to study Buracks model already shown to consider the rest of the deficiencies highlighted in Chapter 4. The corporate body must ensure that all corporate inputs applicable to divisions are communicated to the divisions clearly and in full detail, further-more, the manpower planner must be kept fully informed, and at that point the assessment of the impact of organisational objectives and strategies in the group must be determined by the body corporate.

In addition to this, manpower inventory and information system must be installed on the lines and with the scope suggested in Chapter 3 (3.4).

Satisfactory attainment of such inputs, and the logical assessment of the effect of these on the organisation will then enable the organisation changes to be forecast, and the manpower forecasts to be made by the manpower planner. The manpower forecasts must then be read in conjunction with the centralised information, fed in by divisional inventory and information systems, and the situation must then be analysed for identification of an internal deficit if one exists. Should an internal deficit exist, liaison must be exercised with the Personnel Department to facilitate external recruiting, with its concomitant processes of screening evaluation and selection of suitable applicants.

Next, satisfactory systems of objective and performance setting as recommended must be instituted, and a formalised system of performance appraisal brought into operation, to enable evaluation of existing staff performance to be carried out, and the necessary feedback for control purposes to be made. At the same time, training and development programs must be installed for both existing and externally recruited staff. Here the recommendation is for an extension and upgrading of in-house training, together with a support program for self-education basically in line with that recommended by Burack. In addition the establishment of assessment centres in all divisions is strongly advised. It is felt that in the main, these assessment centres could be manned from the disciplines available within the divisions, supplemented as the need arose by representatives from the corporate body. This would provide a better assessment for future potential, it is felt, than purely subjective individual judgement.

The recommendations given above encompass also the steps shown in the two exhibits of Burack previously reproduced in Exhibits 4.2 and 4.10.

For the recommendations inasfar as Black labour is concerned, a start should be made with the junior management and supervisory levels on similar lines to the overall scheme proposed with an accent on training and development, for the immediate and long term future.

The manning envisaged for the above recommendations should be small in numbers, provided that computerisation of the inventory and information systems is instituted. An increase in training staff could well be needed for the extension and up-grading of the in-company training scheme, but Management by Objectives, and performance appraisal are normally accepted management tasks and should be carried out as such. Thus the only increase in manning should be the planner plus perhaps two assistants, and possibly one or two additional training staff for in-house work.

FIG. 5.1

PROPOSED PLANNING AND PROGRAMMING STEPS.

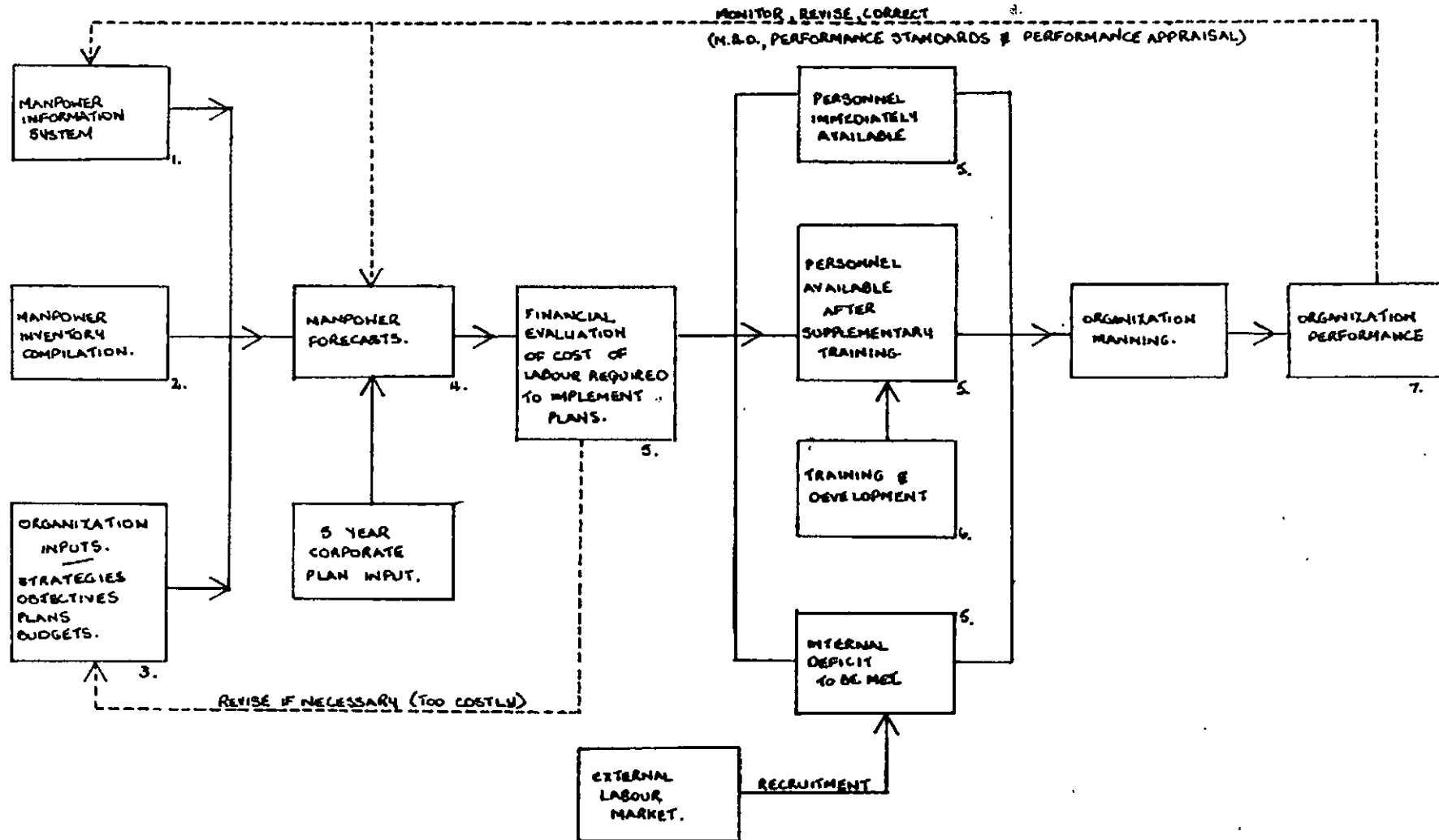


Figure 5.1 indicates a diagram of the proposed steps which should be followed by the manpower planner in his investigations.

- Step 1. Manpower Information Systems covering details as given in Fig. 3.5.
- Step 2. Manpower Inventory Compilation from data supplied by the Manpower Information Systems.
- Step 3. Organisational Inputs.
- Step 4. Manpower Forecasts.
- Step 5. Financial Evaluation of cost of Labour to implement plans and availability of labour immediately and after training.
- Step 6. Training and Development.
- Step 7. Evaluation, Monitoring and Feedback of Organisation Performance.

It should be noted in closing, that the feasibility and viability should be thoroughly investigated at each stage before implementation to avoid excessive and unwarranted costs.

5.2 Assessment of Cost.

On the question of cost, before proceeding further, quotations from two writers will prove of interest. Burack (ibid p.108) states "the time (and cost) of creating a useful file are considerable with such of the pay-off in terms of future periods, and frequently variables difficult to quantify." Van der Embse (ibid p.909) makes the point "A low cost program which is inappropriate to the organisations needs, is more 'expensive' than one which is appropriate, but higher in cost."

As pointed out, a number of the benefits of a good Manpower and Succession Planning scheme are intangible and difficult to quantify, such as motivation of people, job satisfaction, the benefit to the group of having the appropriately skilled and capable managers in key posts, decrease in voluntary terminations etc. However certain tangible benefits on which a value can be set may accrue. For example the group has for some

time been pursuing a policy of overseas recruitment of artisan and managerial staff. It is estimated that with costs of travel, accommodation etc., the initial outlay per person recruited is approximately R5 000 apart from induction and training costs after commencement of work. In a twelve month period, some 60 people have been recruited at an approximate total cost of R300 000. The wastage rate is high due to inadequate screening and poor selection and at present appears to be an ongoing process.

Against this it is felt that in the first year introduction of suitable manpower inventory and information systems as suggested, together with the manning needed for proper Manpower and Succession Planning, and to up-grade in a company training would not cost more than the cost of one year of overseas recruiting at the present rate. Thereafter the system operating costs would be much lower, and it is felt that these would be of the order of R50 000 per annum. Success in reducing the need for overseas recruitment by only 50% would mean that within 2 1/2 years the scheme would show a justifiable return. It is also worth noting that the wastage rate over one year on overseas recruitment was rather higher than 50% within six months of employment.

As a final observation, it is felt that no group or company can face the future with ease, unless the best possible attention is paid to its most important asset - its people - and the use and deployment of them in the coming years.

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T.O.S.A.

RECORD OF CAREER PLANNING AND PERSONAL DEVELOPMENT.

Could the following information be completed for all male staff members between the Grades 10-7.

Significant changes in responsibility since last review:.....

Significant changes in performance, skills, interests, attitudes since last review:.....

Performance since last review:

Poor	Below Ave.	Average	Above Ave.	Superior
------	------------	---------	------------	----------

What are Employee's Vocational goals? Immediate.....
Long Term.....

What are individual's areas of greatest strength?.....

Are these currently being used to fullest extent on present job?.....

If not, what can be done about it?.....

Who will do it?.....

What are his major limitations?.....

TRAINING - The following training courses are at present offered by the Training division. Could you please indicate whether the individual could benefit by any of these courses -

<u>PRODUCT KNOWLEDGE</u>	<u>YES/NO</u>	<u>OTHER TRAINING REQUIRED</u>
Plastics/Copper.....		
Technical Products.....		
Valves.....		
Transmission.....		
Commercial Products - Tube/Fittings.....		
<u>SALES COURSES</u>		
Sales.....		
<u>GENERAL COURSES</u>		
Slide Rule.....		
Surveying.....		
<u>MANAGEMENT COURSES</u>		
Louis A. Allen.....		
Marketing Appreciation.....		
Finance for non-financial executives.....		
<u>PRODUCTION ORIENTATED COURSES</u>		
Safety.....		
Supervisors.....		
Job Methods.....		
Job Relations.....		
Job Instruction.....		
Work Study Appreciation.....		

STEWARTS AND LLOYDS GROUP OF COMPANIES

RECORD OF CAREER PLANNING AND PERSONAL DEVELOPMENT INTERVIEW.

Name _____ Position _____ Date _____
 Branch/Dept. _____ Division _____ Date Employed _____

Significant changes in responsibility since last interview _____

Rate of growth(since last interview): down level slow moderate rapid very rapid

What are employee's vocational goals?
 Immediate _____

Long term _____
 What are individual's areas of greatest strength? _____

Are they currently being used to fullest extent on present job? _____

If not, what can be done about it? _____

Who will do it? _____

What are his major limitations? _____

PLANS FOR DEVELOPMENT ON PRESENT JOB.

Action Needed	By Whom	When

As of present time, how would you rate this employee?

Immediately promotable to such positions as _____

Promotable after training &/or to such positions as _____

Possibly promotable to _____ by _____ years _____

Ready for larger responsibility at same level _____

Not promotable because of current evaluation of present potential _____

Not promotable because of age, health, etc. _____

Too soon to evaluate potential _____

If not promotable, no need to complete next two sections.

What specific abilities, skills or knowledge does he need to develop in order to qualify for positions listed above?

APPENDIX 2 (CONTD.)

What short range and long range program should be undertaken to enable him to qualify for one or more of these positions?

(Include consideration of special assignments, job rotation, understudying present occupant, formal development programs both inside and outside the Company).

What	Who will arrange	When

On basis of his performance to date, what do you consider to be the long range potential of this employee?

Branch Manager, Plant Superintendent, or equivalent in other departments.

Regional Sales or Production Manager, or equivalent in other departments.

Possible Senior Executive calibre, ready within _____ years.

Senior Executive calibre, ready within _____ years.

SUMMARY OF DISCUSSION WITH EMPLOYEE:

Date of Interview: _____

REVIEWED BY:

Supervisor's Supervisor

Date

Supervisor

Date

Manager, Personnel Development

Date

