

Case Study

Managing Labour Capacity - A Case Study of Selected Higher Institutions in Kenya

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A B S T R A C T

From the study, it is argued that health competition among the businesses as well as well motivated employees would certainly result to satisfied customers. A further argument however, contends that this could be amid an additional outlined path of upward transition towards permanent employment to avoid misuse of employees. Employees' Perspective Zero and short hour's contracts additionally provide a chance for corporations to retain competent and fully fledged staff who are retiring. The law enforcers ought to require the businesses to own predictable transition periods for workers from zero hours maybe to short hour's contract and eventually to permanent contract. This means that once an employer puts a proportion of the workers on zero hour's contract then survival in cases of severe demand fluctuation is secured. It is noted that that this dynamism has not modified the first principle in business that one identifies as the creation of value by remodeling raw inputs into valuable outputs that are then transferred to the purchasers at a profit. There are excusable short term reasons why an organization ought to get to increase zero and short hour's contracts to her staff. This primarily implies that the leader is in a position to pass the burden of demand variations to the staff. Another vital benefit is identified views zero and short hour's contracts as an employer's chance to effectively manage risks. Customers' perspective following the revolution in information technology and internet, the market these days is characterised by customers who are well knowledgeable concerning what to expect in a product and/or service and also the choices obtainable at their disposal. In keeping with the client minded demand designing procedures ought to be driven by the dimensions of the customers' demand.

Keywords: Zero Hours, Short Hours, Raw Inputs, Valuable Outputs

Introduction

The global economy is almost totally recovered from the impact of the economic recession that swept through major economies a couple of decade ago leaving several businesses on their knees. As Goyal and Netessine (2007) observes the vibrancy in an economy is generally felt equally in all sectors and is marked with rejuvenation

of activities in all industries like the supplying sector, hospitality, information technology, production among alternative economic sectors. The increase in economic activities among the various players within the market is caused by the pressure from the demand facet as the purchasing power builds up. The problem starts once the businesses rush out to take advantage of those growing

business opportunities. Collier (2008) points out that for survival of the businesses amidst heightened competition, the proper strategy should be taken to cater to this rising demand. Rather than chasing profits Collier (2008) warns that the businesses ought to focus on raising their potency and service quality that is of additional importance to the customers. This approach provides an organization the competitive advantage to remain ahead of the rivals.

To maintain this approach the corporate should have the suitable potential to cater to the unsteady demand. However as Li and Debo (2009) notes, several corporations are typically faced with variable and restricted capacities to cater to these unstable demands. The modern client is additionally enlightened and needs high potency and therefore the best service quality which might solely be achieved once by corporations with acceptable skills and expertise in capability management. This study can critically examine the concept of capacity building and therefore the use of variable labour from totally different perspectives and set out an evaluative account on the simplest manner forward.

Drivers of Capacity Management

According to Li and Debo (2009) capacity management is the process within which the boundaries of a firm's resources are controlled in an exceedingly manner that may respond suitably to the available demand. The vital resources that need acceptable management includes the firm's labour force, manufacturing operations, technology adoption, raw materials acquisition and price chain method as well as the inventory management. As Goyal and Netessine (2007) show, capability management is principally driven by demand uncertainty as well as the short lifecycles of product or service operation implementation. Businesses in several cases tend to avoid figuring out on inventories as a result of the high level of devolution rates in most of the business operations. However, Collier (2008) and Milner and Pinker (2008) observe that when a firm chooses to create on its capability it is felt throughout the design horizon and its impact is felt within the entire business process as well as in the profit margins.

Organization Integration

Tan and Gershwin (2008) describe globalisation as the glue that integrated economies along ensuing to dramatic modification within the sphere of activities by business and producing companies. It is the fact of globalisation that has continued to open international opportunities to businesses in a very manner that continues to create the business atmosphere more and more unpredictable at the same time as the competition become stiffer each season. Li et al (2011) notes that this dynamism has not modified the first principle in business that he identifies as the creation of value by remodeling raw inputs into valuable

outputs that are then transferred to the purchasers at a profit. However as Boyaci and Ozer (2010) observes, to endlessly satisfy these customers amidst such a competitive world market, service quality, flexibility and low wastage are vital competitive advantages. To attain these benefits Huh and Rusmevichientong (2009) recommends that production management skills should be employed to guide production planning and operations management. The management skills facilitates raising the capability in adherence to schedules, consistency in employment of capability, shortening the processing amount, reducing inventory and raising the pliability levels.

Capacity Planning

The main reason and basis within the necessities for capacity building consistent with Alp and Tan (2010) is to get a business production set up that is guided by the customers' level of demand. The business managers ought to however, be able to distinguish between client and market minded capability management. In keeping with Chao et al (2009) the client minded demand designing procedures ought to be driven by the dimensions of the customers' demand. This means that the impact from the changes within the market affects the production and as a result this directly affects the capacity management. In the other hand we have market minded demand planning that Krajewski et al (2009) claim to be driven by forecasts in sales volume by the employment of knowledge obtained from the previous experiences. In each case it is needed that the demand be met systematically (during peaks and off-season periods), production and repair quality be standardized and delivery time to customers be respected. To realize these Goyal and Netessine (2007) points out that capacity management skills in lead-time programming and interdependencies should be used to confirm that the unit production timing as well as the transformation timing intermediate the batches is ascertained and respected.

Benefits from the Use of Zero Hours and Short Hour's Contracts

According to Deakin (2014) there are some ways within which firms have benefitted from the utilization of zero hours and short hours contracts that creates them committed to their usage. Among the main benefits is in maximising flexibility of the manpower in a manner that the adjustment to variations in demand is made easy and practical. This is significantly vital to employers in cases of economic worsening as a result of as Collins et al (2012) points out employers with a pool of staff can simply regulate the number, skills and wage bill to precisely match the demand and resources at disposal. As Adams et al (2015) explains, this primarily implies that the leader is in a position to pass the burden of demand variations to the staff. Another vital benefit is identified by Cox et al

(2009) who views zero and short hour's contracts as an employer's chance to effectively manage risks. This means that once an employer puts a proportion of the workers on zero hour's contract then survival in cases of severe demand fluctuation is secured.

This will merely be achieved by zeroing the status of the workers on such contract till the time the demand is stable. Barnard (2014) adds that the zero hour's contract may be a means that by employer's to cover for the initial prices that were employed in the recruitment and training of the manpower. This is because with a pool of staff operating "on-call" implies that whenever demand is high hiring can be done for appropriate skills without having to incur costs in recruitment and accomplishment and training.

The Value of Zero Hours and Short Hour's Contracts

According to CIPD (2013) zero hours and short hour's contracts are often a valuable tool to employers, staff and customers if it was to be implemented properly. It is necessary for the social control laws to contemplate all stakeholders concerned in order that the theme does not look biased on one aspect or the opposite.

Employers' Perspective

Collins et al (2012) argues that employers will reap nice returns if they were to require advantage of the sort of flexibility that these contracts supply. However, Causa (2008) observes that the employers solely take the advantage of the pliability and leave the workers to bear the implications of the flip facet. This can be as a result of most of the employers are quick in taking advantage of the peaks wherever the workers are made quickly available and used to push production and meet the strain however there is no steerage or concern that appears to be invested with during the off-peak periods. Additionally Cox et al (2009) indicates that these contracts offer the businesses a chance to spice up efficiency in production as a result of staff who are familiar with the business operations are available for call within a short notice. This further makes the training cheaper and tailor made to companies' demand with enough time to pick out precocious and skilled manpower. Davidov et al (2015) however argues that this could be amid an additional outlined path of upward transition towards permanent employment to avoid misuse of employees.

Employees' Perspective

Zero and short hour's contracts additionally provides a chance for corporations to retain competent and fully fledged staff who are retiring. This chance in line with Adams and Deakin (2014) is additionally valuable to staff because it provides them a chance to stay productive within the society at old age. Additionally the contracts provide flexibility to staff who wish to hold on with their studies or

mothers who want beyond regular time to take care of their sons and daughters. Such individuals ought to however be given an opportunity to decide on the foremost acceptable time that will work for them. The scheme is additionally very valuable for youngsters because it permits them to create up their CVs and acquire the necessary work skills and experience required before they can choose a permanent job.

Customers' Perspective

Following the revolution in information technology and internet, the market these days is characterised by customers who are well knowledgeable concerning what to expect in a product and/or service and also the choices obtainable at their disposal (Cox et al, 2009). Efficient implementation of the contracts leaves the client as the final beneficiary as a result of the potency created at the workplace allows for extended time for access to products and services, better service quality and competitive rating. As Collins et al (2012) argue health competition among the businesses as well as well motivated employees would certainly result to satisfied customers.

Conclusion

It has been found that if the zero and short hour's contracts were to be managed fairly it might be of nice worth not solely to the employers however conjointly to the worker and also the customers. However, once the management is not in line with the future investment culture it may distract the employee's plans and self-esteem; whereas at the same time damage the employer's attractiveness to quality force a incontrovertible fact that may result in lack of continuity and provision of poor service quality to customers in addition Wood et al (2013) argues that misuse of zero and short hour's contracts has been a causative issue towards financial insecurity for several households and so being a catalyst towards low living standards. Going forward so and realizing that zero contracts and short hour contracts have their place within the provision of short-term flexibility in the society, the subsequent developments is expected and may be supported over the subsequent five years.

Respect of working hours by the Employers

Though the supply of labor particularly for the Zero hours contracted workers is irregular and certain, it is unfair to for employers to force the employees to be offered to the workstations when there is no guarantee for work. a fair approach would be to pay a proportion of the time spent at the work station if being at the station had been agreed by the two parties. Going forward it is necessary for the employers to manage their capacity in a manner that will permit the staff to possess a chance to figure and acquire paid whenever that they are needed at the workstation.

Employees be Free to Work for more than one Employer

Law expulsion workers from seeking employment from multiple leaders is not truthful if that specialize in just one employer doesn't offer guarantee for work. Although there may be legitimate causes as to why some corporations may need workers to completely be dedicated to them, this should be reciprocated by guaranteeing some work for these workers. within the next five years it is necessary for the employers to be required to over a minimum of a minimum guarantee for operating hours as well as for the zero hours contract and open up the possibility of acquiring such guarantees from totally different corporations among different times.

Fair and predictable Transition

There are excusable short term reasons why an organization ought to get to increase zero and short hour's contracts to her staff. However, extending this to mounted terms that takes variety of continuous regular years below the identical terms is unfair. The law enforcers ought to require the businesses to own predictable transition periods for workers from zero hours maybe to short hour's contract and eventually to permanent contract. This could give fairness for people who are operating below such unpredictable conditions for lack of higher options.

Clarity on Rights and Responsibilities

There ought to be a provision for cover of workers from reserve insecurity particularly once it emanates from poor capability management by the employer. This should embrace partial compensation for the workers whose shifts are off abruptly or hours drastically reduced without notice.

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