

LECTURE 3

HUMAN RESOURCE PLANNING

By

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LEARNING OUTCOMES

On successful completion of this lesson, the learner will be able to:

- LO1:** Understand HRP as a part of overall strategic planning.
- LO2:** Understand job analysis as a basis for HRP & other HR practices.
- LO3:** Examine different sources, methods and factors relating to HRP.
- LO4:** Discuss HRP process and critically evaluate the various gap-closing strategies.
- LO5:** Discuss the trends & importance of effective HRP in HRM.

HR PLANNING?

- The process of ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements.
(Bulla and Scotts, 1994)
- HRP is based on the belief that people are the most important asset in any organization.
- HRP generally involves matching people to business needs in the longer term.
- HRP is a part of overall strategic planning.

MAIN AIM OF HR PLANNING

HRP is a proactive approach which basically assures:

- The best fit between employees and jobs avoiding HR shortage or surplus.

For successful management and operation of the organization to reach strategic business objectives.

OTHER AIMS OF HR PLANNING

Other aims of HR planning can be classified into three groups:

- Effective business planning
- Effective resources management
- Effective process management

Adopted from Reilly (1999)

HR PLANNING & BUSINESS PLANNING

- Business planning is the setting up of ultimate business objectives and methods of achieving them within a specified timeframe.
- According to Quinn Mills (1983), HRP is a decision making process that combines 3 activities which are very important to attain strategic business objectives:
 1. Identifying the right number of people with right skills.
 2. Motivating them towards right performance.
 3. Creating interactive links between business objectives and HRP activities.

KEY ORGANIZATIONAL FACTORS AFFECTING HRP

STRATEGY

STRUCTURE

CULTURE & PROCESSES

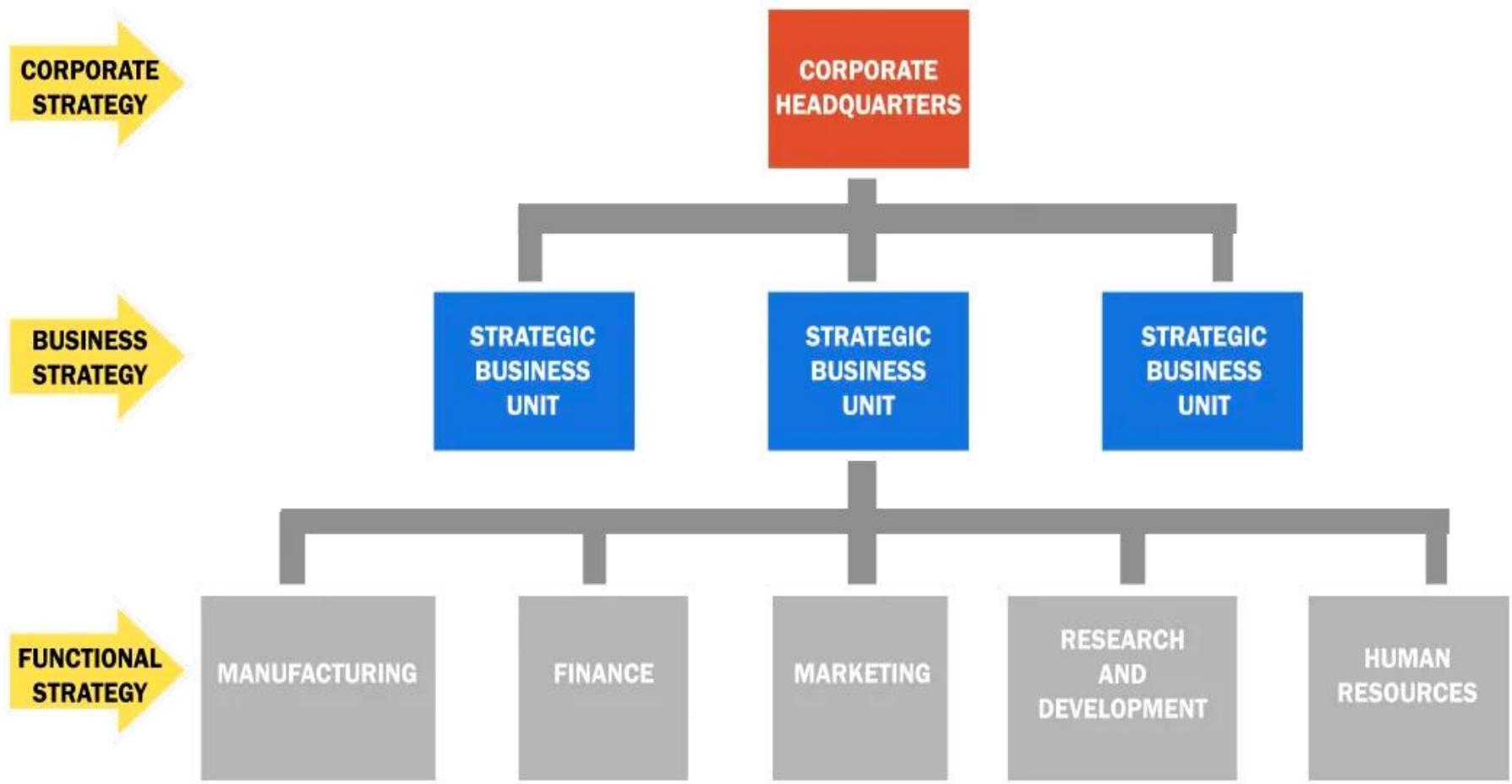
**are interconnected and
interdependent for the
effective functioning of
an organization.**



ORGANIZATIONAL STRATEGY

- It communicates an organization's long-term plan.
- It also communicates how the resources are allocated to pursue organizational goals.
- It defines control mechanisms for guiding the effective implementation of the strategy (avoid strategic drift).
- It also defines success measures to review effectiveness.
- It includes the timeline to avoid unnecessary delay.
- It outlines people responsible for each action programs to achieve objectives.
- It shows budget allocated for different business functions.

STRATEGIC LEVELS



ORGANIZATIONAL STRUCTURE

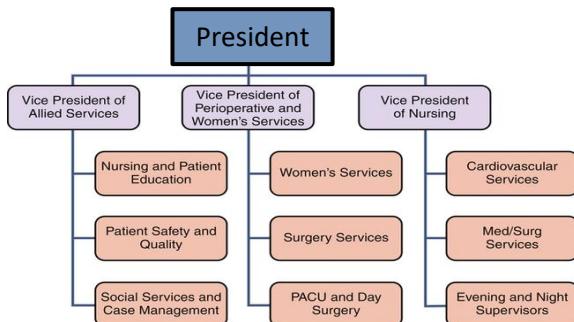
It is the way the pieces of an organization fits together.

- **Centralized organizations:** formal line hierarchy of staff & functions.
- **Decentralized organizations:** activities are delegated away from a central control.
- **Divisionalized organizations:** structuring the organization into separate divisions.
- **Matrix organizations:** project based organizations
- **Adhocratic organizations:** adapting quickly to new demands and operate fluidly (flat).

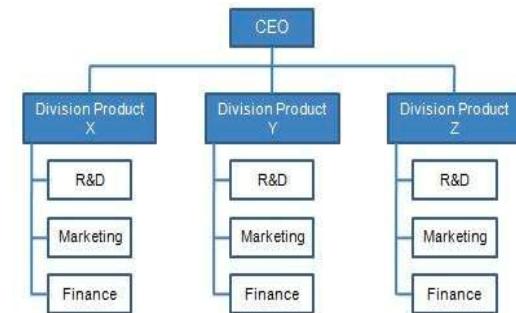
TYPES OF ORGANIZATIONAL STRUCTURES



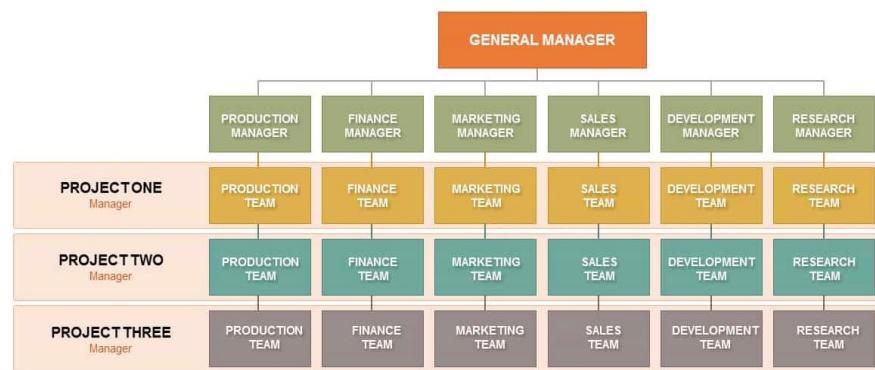
Centralized Structure



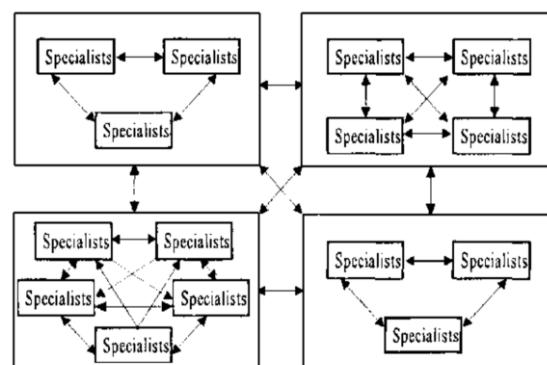
Decentralized Structure



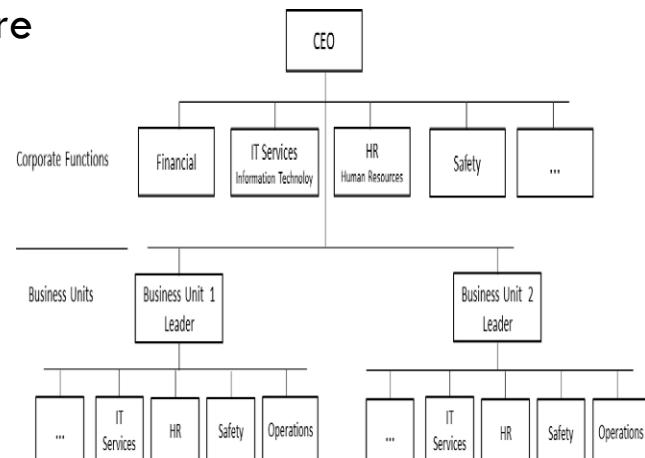
Divisionalized Structure



Matrix Structure



Adhocratic Structure



Hybrid Structure

ORGANIZATIONAL CULTURE

- Organizational culture is more simply the personality of an organization that makes a significant influence on employee behavior.
- **Clan culture:** an internal focus with a flexibility orientation
- **Adhocracy culture:** an external focus with a flexibility orientation
- **Hierarchy culture:** internal focus with a stability/control orientation
- **Market culture:** an external focus with a stability/control orientation

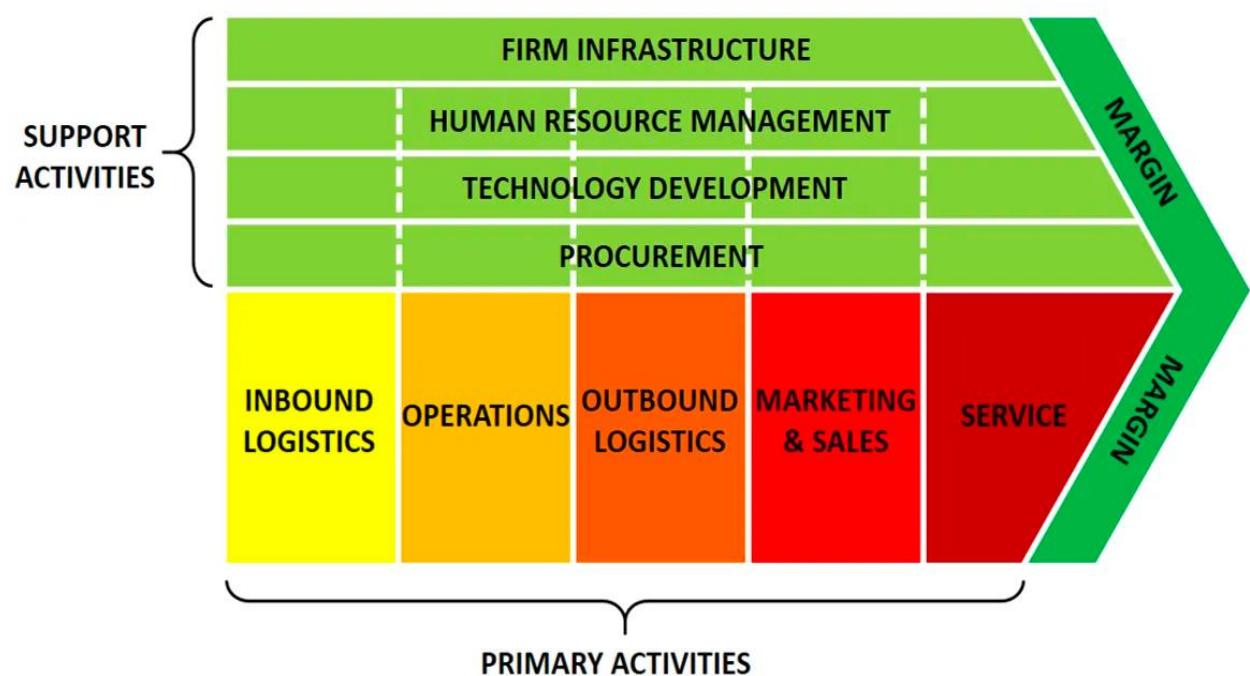


Competing Values Framework
Cameron & Quinn (1999)

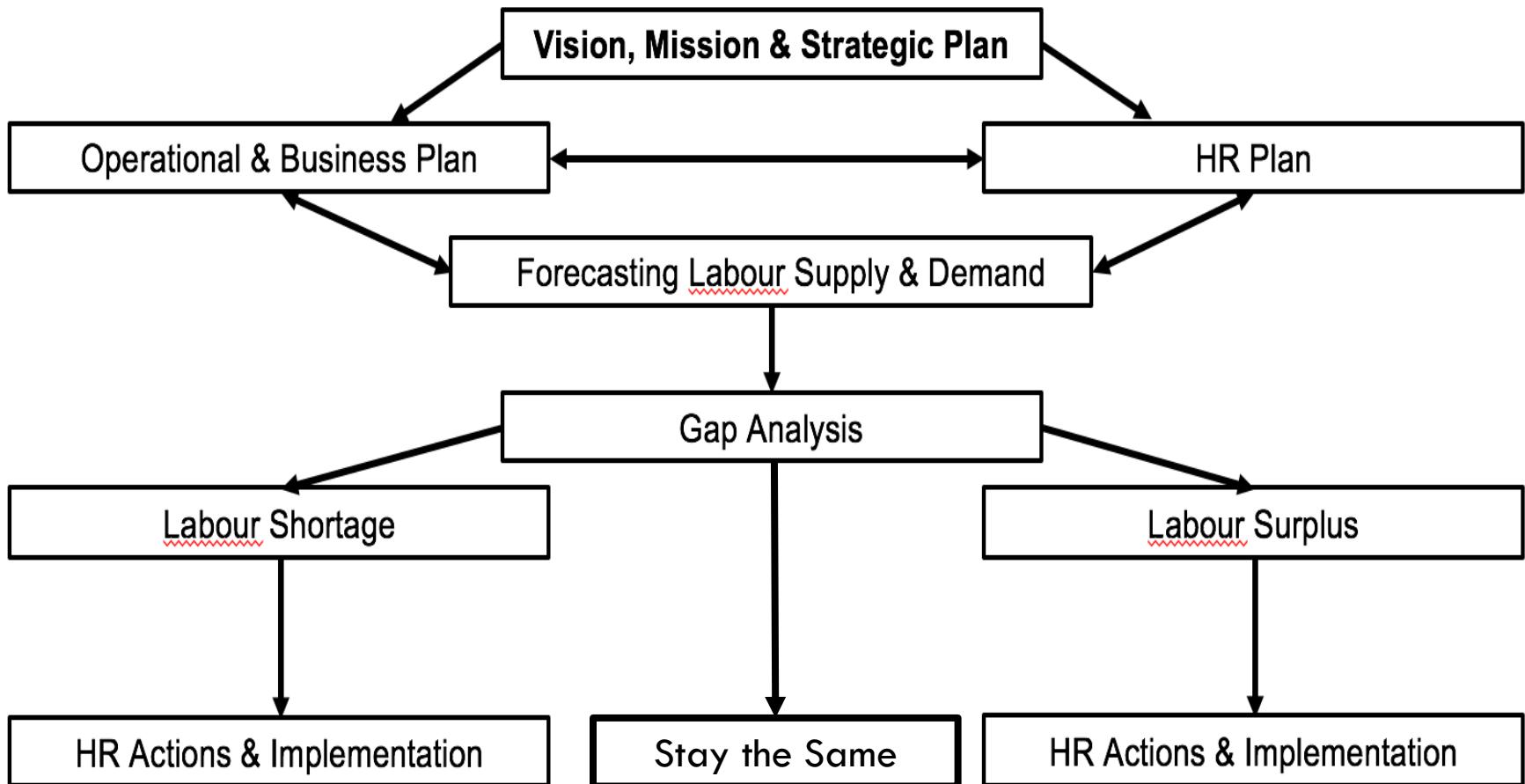
ORGANIZATIONAL PROCESSES

To understand how organizations work, it is necessary to consider the various processes that take place within the structural framework:

- Planning
- Organizing
- Leading
- Controlling



STRATEGIC HR PLANNING PROCESS



JOB ANALYSIS AS A BASE FOR HRP

Job analysis is considered a foundational step for HRP.

➤ **Job Analysis:** The systematic process of collecting job data and worker requirements in an organization for creating/modifying jobs for today & tomorrow in order to achieve organization's business strategy.

➤ **Why Job Analysis:**

- Guide HR planning
- Design and redesign jobs
- Conduct job evaluation
- Guide the recruitment and selection process
- Determine where jobs fit within the overall organizational structure
- Support compensation and benefits decisions
- Support training and development requirements
- Support performance appraisal
- Support health and safety

OUTPUTS OF JOB ANALYSIS



Job analysis is the building block of all HR practices

SAMPLE JD

A written description of a particular job and its environment.

JOB DESCRIPTION MANAGER HUMAN RESOURCES			
Position	Department	Reports to	Reportees / Supervision
Manager Human Resources	Human Resource	Executive Director or his/her nominee	Assistant Manager HR Human Resource Officer Human Resource Associate
2.0 POSITION OBJECTIVES			
To ensure human resource development plans, strategies and systems are in place in accordance with the SDPI broader vision and mission. This is a senior level position, which would help in achieving SDPI's organizational objective through implementation of best HR policies and practices.			
3.0 JOB RESPONSIBILITIES, DUTIES AND TASKS			
3.1 Core Responsibilities & Duties			
<ol style="list-style-type: none">1. To develop and implement HR policies, strategies, and systems.2. Ensure that agreed transparent systems policies and procedures related to personnel and human resources development are in place.3. Ensure HR and personnel policies of SDPI are in line with the country's Labor laws.4. Establish systems for recruitment and performance evaluation.5. Overview maintenance of HR database and records.6. Facilitate the training and HRD needs assessment of SDPI team.7. Time Management and LOE Tracking in coordination with Finance Unit.8. Provide input for proposal writing on proposed staffing for various projects.9. Conduct at least two HR and Personnel Management trainings as resource person in a year.10. Implement and update automated HR management through HRIS and automated payroll management11. Automation of HR systems12. Any other assignment assigned by the Supervisor.			
3.2 Occasional Significant Duties			
<ol style="list-style-type: none">1. Induction and orientation of new team members2. Discharge any other related administrative or management responsibilities assigned by the supervisor/Executive Director.			

SAMPLE JS/PS

A written document that describes all the KSAOs of a job holder to fulfill a specific job requirements.

Qualifications, Knowledge & Experience	Essential	Desirable
A third level qualification in Human Resources	✓	
A minimum of 5 years Senior HR experience	✓	
A minimum of 3 years experience in a leadership role	✓	
A detailed understanding and experience of modern, evidence-based HR practices and a robust grasp of Irish employment and other relevant legislation	✓	
An extensive knowledge of workforce planning, recruitment and retention issues	✓	
Evidence of successful management of strategic change projects and modernising services in a complex organisational environment	✓	
Comprehensive experience of employee relations, including a detailed knowledge of grievance and disciplinary issues	✓	
CIPD membership		✓
Masters Level Qualification		✓
Demonstrable substantial experience in managing change in a large values-based organisation	✓	
Experience in the Not-for-Profit / Charity Sector and/or Section 38/39 organisations		✓
An understanding of Camphill Communities of Ireland's Vision, Values and Mission		✓

THE LINKAGE: JOB ANALYSIS – JOB DESIGN – JOB EVALUATION - HRP



EFFECTIVE JOB DESIGN

- Job analysis provides necessary data for effective designing of jobs.
- Effective job design includes an **appropriate level of job range and job depth.**
- Effective job design clearly specifies **what** the job holder does, **how** and **why**.
- Effective job design leads to worker **motivation, job satisfaction** and in turn helps achieving **organizational objectives.**

PRINCIPLES OF JOB DESIGN

- Skill variety
- Task identity
- Task significance
- Autonomy
- Open feedback channels

Robertson and Smith (1985)

JOB DESIGN TECHNIQUES

- Job rotation
- Job enlargement
- Job simplification
- Job enrichment
- Job reengineering

SOURCES OF HR PLANNING

- Internal labour market
- External labour market

Make & Buy Strategies

LIMITATIONS OF HR PLANNING

- Uncertainty of future
- Time consuming activity
- Expensive process
- Human errors/Limited data
- Complexity/Unrealistic expectations
- Lack of management support
- Skill shortages
- Resistance to change

HARD & SOFT HR PLANNING

Hard Human Resource Planning:

- Quantitative

Soft Human Resource Planning:

- Qualitative

IMPORTANCE OF EFFECTIVE HR PLANNING

- It eliminates surprises
- It smooths out business cycles
- It helps adapting to an uncertain and changing environment
- It aids attraction and retention
- It identifies problems early
- It takes advantage of opportunities
- It improves the reputation of the organization
- It helps achieving strategic business objectives

HR PLANNING TECHNIQUES

- Strategic objective analysis
- Demand & supply forecasting
- Gap analysis
- Succession planning
- Talent management/ Up skilling
- HR dashboarding
- Managerial/Expert judgements
- Ratio trend analysis
- Work study techniques
- Downsizing
- Outsourcing

TRENDS IN HR PLANNING

- Virtual work
- Team work
- Strategic focus
- Talent management
- Utilizing social media
- HRIS & automation
- Policies/laws
- Strong focus on employee experience
- Prioritizing diversity, equity, and inclusion (DEI)
- Embracing hybrid work models
- Emphasizing continuous learning and development
- Placing greater importance on employee well-being and mental health

SUMMARY

- Effective HRP has the ability to meet strategic business objectives by means of employing right number of people, with the right skills, in the right places, at the right time and cost.
- HRP is a proactive approach meaning managers have to plan ahead taking all environmental factors into consideration to avoid labour shortage and surplus.
- HRP is an integrated process which begins with strategic analysis to understand the strategic direction of the organization for the next three to five years.
- The effectiveness of HRP can not just be brought by the HR staff without active involvement and support from the the employees and other key internal stakeholders.

RECOMMENDED READING

- Armstrong, M. (2009) Armstrong's Handbook of Human Resource Management Practice. 11th Edition, Kogan Page Limited, London.
- Boxall, P., Purcell, J. and Wright, P. (2007). The Oxford Handbook of Human Resource Management. Oxford: OUP .
- Gibb, S. (2007). Human Resource Development: Processes, Practices and Perspectives. Basingstoke: Palgrave.
- Marchington, M. & Wilkinson, A. (2011). Human Resource Management at Work: People Management & Development. 5th Edition. London: CIPD.

NEXT LECTURE

- **Date:** 23rd April 2025
- **Time:** 12:00 – 2:00 pm
- **Topic:** Recruitment and Selection