

HUMAN RESOURCES PLANNING

Human Resource Management (HRM) involves recruitment, selection of employee, providing proper orientation and induction, providing proper training and developing skills, assessment of employee (performance of appraisal), providing proper compensation and benefits, motivating, maintaining proper relations with labor and with trade unions, maintaining employees safety, welfare and health by complying with labor laws of concern state or country.

Human Resource Management has an important role to play in the organisation. It ensures that functions (such as marketing, finance and production are staffed. The overall purpose of human resource management is to ensure that the organization is able to achieve success through people.

Human Resource Planning

One important function of HRM is Human resource Planning. HRM facilitates systematic human resource planning. Human Resource Planning (HRP) may be defined as strategy for acquisition, utilization, improvement and preservation of the human resources of an enterprise. HR Planning ensures that the human resource requirements of an organization are identified and plans are made for satisfying those requirements'. Human resource planning is based on the belief that people are an organization's most important strategic resource.

Human resource planning determines the human resources required by the organization to achieve its strategic goals. Human resource planning links the human resource needs of an organization to its strategic plan to ensure that staffing is sufficient, qualified, and competent enough to achieve the organization's objectives.

Human resource planning should serve as a link between human resource management and the overall strategic plan of an organization. Human resource planning plays a vital role in the formulation of strategy within an organization. An organization can not function without people, thus the human resource planning activities become more

important because they forecast how many employees are required to carry out the organizations activities and help to meet customer demand for its products.

The role of HRP is to ensure that an organization has the right quantity and the quality of employees doing the right things in the right place at the right cost to the organization. It addresses human resource needs both in quantitative and qualitative terms, which means answering two basic questions: first, how many people, and second, what sort of people

When Human Resource Planning is applied properly in the field of Human Resource Management, it would make it easier to answer the following questions:

1. How many numbers of staff does the Organization have?
2. What type of employees as far as skills and abilities does the organization have?
3. How should the Organization best utilize the available human resources?
4. How can the organization keep its employees?

STAGES OF THE HUMAN RESOURCE PLANNING PROCESS

There are 4 stages involved in the HRP Process

1. Analysis of existing Resources

A profile of the workforce, based on certain characteristics which are relevant for planning purposes.

- For example HR function can look at Inventories of existing workforce- a statistical analysis of the number of employees, divided into different categories
- **Staff turnover-** an analysis of the rates at which staff is leaving employment and trends in the characteristics of staff turnover.

2. HR demand forecasting

An estimate of the numbers of staff required carrying out the level of business or service that is anticipated. An analysis of the staffing requirements necessary for the organization to succeed in achieving its business of objectives, taking into account the requirements of the corporate plan.

3. HR Supply Forecasting

A forecast of anticipated changes in the supply of labor. The supply of labor will depend on the availability of suitable staff that can be recruited from outside the organization and the potential for developing existing employees to meet new requirements. This calls for assessing the internal and external labor market.

4. HR Planning

By bringing together information obtained from the three stages, an analysis of the action bridging the gap between demand forecast and the supply forecast is made. This action may determine the activities to be undertaken under several personnel policies.

The process of HR planning is complex, but in its simplest form it centers around two main activities.

- Demand –forecasting the demand for staff within the various corporate functions. It entails analyzing the information and determining the number and attributes (knowledge, skills and attitudes) of staff that will be needed at any given time.
- Supply-ensuring that the forecast level of demand can be met.

These activities must be proactive rather than reactive which means that they must be planned. This requires extensive information about the nature of employment and employees within the organization and of the labor market outside of it.

Failing to establish a correct balance between the supply of and demand for labor in an organization can lead to:

Shortage of staff (or of skills). If a business employs fewer staff than it requires it is unlikely to be able to meet its production and sales targets, machinery and stock will be unused and its trading profit is likely to be reduced.

Surplus of Staff: business which finds itself employing more staff than it needs will incur wage and salary costs.

Human Resource Planning Strategies

Some HRP strategies that are used when there is a shortage or surplus of staff are:

A shortage of staff

- Recruit externally
- Increase the number of part-time staff
- Extend temporary or fixed-term contracts
- Offer employees the opportunity to work overtime

A surplus of staff

- Stop recruiting
- Encouraging early retirement
- Reducing overtime