HUMAN RESOURCE PLANNING

Chapter 5

Human resource planning:

- Is the critical initial step in getting the right people in the right place at the right time.

- An important component in strategic human resource management.

- Links the HR management to the strategic plan of the organization.

Without accurate human resource planning, organization may not be in a position to compete in the marketplace.

A good human resource plan allows management decisions to support the future direction of the organization.

DEFINITION OF HUMAN RESOURCE PLANNING

- HR planning is the process by which management ensures that it has the right personnel who are capable of completing those tasks that help the organization reach its objectives.

- It is the development of strategies for matching the size and skills of the workforce to organizational needs.

- Assists the organization to recruit, retain, and optimize deployment of the personnel needed to meet business objectives and to respond to changes in the external environment.

Analyzing

- Analyze the environmental factors that impact on your firm's labor demand.

- Planners must understand the external business environment and the trends that occur within it.

- Analyzing the internal workforce will answer these questions:

    - How many staff do we need?

    - How are they distributed?

    - What is the age profile?

- How many will leave by resignation or retirement in each of the next five years?

- What are the present skills of the present workforce? What new skills will be required?

Forecasting

- A science and less an art.

- Not an exact science, it is subject to certain uncertainties and inaccuracies.

- Two techniques when forecasting:

  - Statistical method – excellent in extrapolating labor demand based on historical trends.

  - Judgmental technique – a qualitative approach, avails of the of the opinion of department managers on their future staffing needs.

Determining The Future Demand

- Forecast of labor demand revolves around identifying job categories and/ or types of skills currently existing and needed in the future.

  - Markov analysis – staffing tables, depiction of jobs within the organization.

Internal Supply Considerations

- Turnover rate is a very important factor to be considered in your internal manpower supply.

- There are two kinds of turnover: resignation and dismissal.

- Resignation can be due to:

  - Accepting a job elsewhere

  - Poor health

- Putting one's own business, taking up further studies or raising a family

- Migrating abroad

- Accepting a voluntary retrenchment

- Relocating to another place

- Dismissal can be due to:

  - Misconduct

  - Forcible resignation

  - Authorized causes under the law

- Formula for determining turnover rate is:

$$\frac{\text{Number of staff leaving in a year}}{\text{Average number employed in a year}} \times 100$$

- The quotient is the so-called *wastage index*.

- Stability index:

$$\frac{\text{Number of employees with one year service at 31 December}}{\text{Number employed one year ago}} \times 100$$

Assessment of the Internal Labor Supply

- Having determined the human resource demand, look at the supply side.

- If in your assessment there is a shortfall based on your forecasted manpower, you have to look for external supply.

The External Labor Supply

- There is an abundance of manpower in the labor market in the Philippines.

- However, only those who have the necessary skills and competencies required of the job can be employed.

Employing Temporary Workers

Classification of Temporary Workers:

Casuals

Project employee

Employees for a fixed period or term

Others