

Chapter MP3 script 20

Human Resource Planning

In this recording we summarise the content of chapter 20 Human Resource Planning. Studying this chapter should help you explain what is meant by HRM; discuss the purpose and methods of HR Planning; assess why human resource planning is essentially a corporate activity; .

Introducing the chapter, the authors start with 1. Contemporary organizations have a need for talented employees. Human resource planning (HRP), like any other form of planning, is a means to an end. In this case the end is to secure the human resources of the organisation in order to achieve corporate objectives. In organisations that have adopted a corporate planning or strategic approach to HRP, an overall assessment will have been made of the current strengths and weaknesses of the employee situation. This assessment will have led, where necessary, to a number of long-term proposals for HRP aimed at securing sufficient numbers and categories of suitable employees to undertake the task of producing the organisation's goods or services to the standards expected by the end-users. Even organisations that rarely plan far ahead usually have to make some assessment of their present employee situation, so as to ensure that an appropriate range of skills is available for all the mainstream activities of the organisation. This chapter assumes that a systematic and planned view of HRP is the norm.

2. Whatever the nature of the organisation, if it is of a size where changes in the workforce will have a significant effect on business results, then it will need some kind of human resource planning activity. In this book human resource planning is defined as:

'a rational approach to the effective recruitment, retention, and deployment of people within an organisation, including, when necessary, arrangements for dismissing staff.'

HRP is, therefore, concerned with the flow of people through and sometimes out of the organisation. HR Planning is used to ensure the organization has the appropriate number of suitably skilled people in the right places and at the right times. It is, however, not a mere numbers game. On the contrary, effective HRP is considerably more concerned with the optimum deployment of people's knowledge and skills, i.e. quality is even more important than quantity.

3. Before moving on to look at the various stages of HRP, it is worth considering the questions which such planning aims to answer. These can be summarised as follows:

- What kind of people does the organisation require and in what numbers?
- Over what time-span are these people required?
- How many of them are employed by the organisation currently?
- How can the organisation meet any shortfall in requirements from internal sources?
- How can the organisation meet the shortfall from external sources?
- What changes are taking place in the external labour market which might affect the supply of human resources?

In responding to these questions, HRP is essentially concerned with four major activities:

- 1) analysing the existing human resource situation
- 2) forecasting future demands for people
- 3) assessing the external labour market and forecasting the supply situation
- 4) establishing and implementing human resource plans.

4. HRP is typically coordinated by the Human Resource Management (HRM) function which aims to improve the productive contribution of individuals – it is about people and their ability to be economically productive, to enhance organisational performance. The goal of HRM is to help an organization meet strategic goals by attracting and retaining employees and managing them effectively. HRM is therefore concerned with the strategic management of human resources to achieve a competitive advantage..

The key concepts discussed within this chapter are:

Employee resourcing - Resourcing is the process by which people are identified and allocated to

perform necessary work. Resourcing has two strategic imperatives: first, minimizing employee costs and maximizing employee value to the organization; secondly, obtaining the correct behavioural mix of attitude and commitment in the workforce; Human resource management - A philosophy of people management based on the belief that human resources are uniquely important to sustained business success. An organization gains competitive advantage by using its people effectively, drawing on their expertise and ingenuity to meet clearly defined objectives. HRM is aimed at recruiting capable, flexible and committed people, managing and rewarding their performance and developing key competencies. See also 'Hard HRM', 'Soft HRM'.; Human resource planning (HRP) - A process which anticipates and maps out the consequences of business strategy on an organization's human resource requirements. This is reflected in planning of skill and competence needs as well as total headcounts.; Human resource strategy - Overall plan for staffing, developing and rewarding employees and outsourced human resources tied to business objectives.; .

Other terms discussed include:

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Summarising and concluding, the author(s) make the following comments - 18. Human Resource is viewed as strategically important due to attributes which are difficult to imitate thus ensuring any derived competitive advantage is sustainable. As companies move into the war for talent and as individuals with specialized knowledge, skills and expertise are recognized as the scarce strategic resource, HR professionals must become key players in the design, development and delivery of a company's strategy. The HRM role can be both strategic and operational. It is strategic in that the continued availability of human capital must be assured in order for the strategy to be met. However, it must also be operational via the administration of certain HR practices such as resourcing, training and development and performance management (see later chapters)..

We have now reached the end of the chapter 'Human Resource Planning'.

There are a number of references for this chapter where further reading opportunities are identified for you.

Additionally, there are questions or activities to help develop and test your understanding of this chapter