

HUMAN RESOURCE PLANNING AND MANAGEMENT

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INTRODUCTION TO HUMAN RESOURCE MANAGEMENT:

- ▶ There are four types of resources in a firm namely; -
 - Humans
 - Finance
 - Machines and
 - Materials.

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- ▶ Humans have to be carefully selected and educated to meet the following criteria:
 - optimal number of staff in the firm;
 - have relevant competencies (skills, knowledge and attitudes);
 - organization structured with staff correctly deployed;
 - motivation correctly addressed;
 - staff capacity continuously improved;
 - performance correctly managed;
 - having the correct tools.
- ▶ The human resource department ensures that the aforementioned criteria is met.

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Definition of Human Resource Management (HRM):

- ▶ HRM is concerned with the strategic management of human resources in an organization; to achieve a competitive advantage.
- ▶ Refs:
 - Armstrong, M.; (2017); *Armstrong's handbook of Human Resource Management Practice*; Koganpage; 14th edition at page 4
 - Heathfield, S.; (2021); *What is Human Resource Management? Definition of Human Resource Management*; available at <https://www.thebalancecareers.com/what-is-human-resource-management-1918143>

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Objectives of Human Resource Management:

- ▶ Achieve organizational goals;
- ▶ develop and maintain healthy work culture;
- ▶ enhance employee integration;
- ▶ ensure training and development needs are met;
- ▶ foster employee motivation;
- ▶ foster workforce empowerment;
- ▶ bolster retention;
- ▶ ensure data management and compliance.

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Responsibilities of Human Resource Management:

- ▶ Human Resource Planning to ensure optimal number of staff with relevant competencies;
- ▶ recruitment to fill vacancies;
- ▶ deployment to ensure staff do what is suitable for them;
- ▶ motivation to ensure optimal performance;
- ▶ compensation to ensure equitable pay for all staff;
- ▶ staff development to ensure continuous improvement;
- ▶ performance correctly managed to ensure efficiency and productivity.

Functions of Human Resource Management:

- ▶ **Managerial function:** functions required of any manager i.e.: -
 - Planning
 - Organizing
 - Directing
 - Controlling
- ▶ **Operative functions:** department-specific functions i.e.: -
 - Procurement
 - Development
 - Compensation
 - Maintenance

STRATEGIC HUMAN RESOURCE MANAGEMENT (SHRM):

- ▶ Strategic management is the art and science of formulating, implementing and evaluating cross functional decisions that will enable an organization to achieve its objectives.
 - Armstrong, M.; (2017); *Armstrong's handbook of Human Resource Management Practice*; Koganpage, 14th edition at page 14
 - Bonell, P.F. & Purcell, J.; (2003); *Strategy and Human Resource Management*; Basingstoke; Palgrave MacMillan at page 44
- ▶ 2 phases of the strategic process are: -
 - ▶ Strategy formulation
 - ▶ Strategy implementation
- ▶ SHRM is the initiation and implementation of human resource policies and plans aimed at aligning the human resource function with overall business strategy.

Role of Human Resource Management in Strategic Management:

- ▶ SHRM means accepting and involving the HR function as a strategic partner in the formulation and implementation of the company's strategies through human resource activities.

Academic Theories Behind Strategic Human Resource Management:

- ▶ Definition 1: SHRM is identified with business strategies. To become strategic, HRM must be involved with the firm's objectives.
 - Devanna, M., Fombrun, C., & Tichy, N.; (1981); *Human Resources Management: A Strategic Perspective*; Organizational Dynamics; vol 9(3); pages 51-67.
- ▶ Definition 2: SHRM can be defined as HRM - firm performance link.
 - Wright, P. M., & McMahan, G. C.; (1992); *Theoretical Perspectives for Strategic Human Resource Management*; Journal of Management; vol 18(2); pages 295-320.
- ▶ Definition 3: SHRM can be defined as employee / business performance relationship. Individual employee performance has an impact on firm performance.
 - Uysal, G.; (2014); *Stages, Content, and Theory of Strategic Human Resource Management (SHRM): An Exploratory Study*; Journal of Modern Accounting and Auditing, Vol. 10(2), pages 252-256

What does a manager have to do if he / she wants to be strategic?

- ▶ Exercise insight, understand the business and its competitive environment;
- ▶ beware of business goals and its plans to attain them and understand the business model;
- ▶ align management functions with the organization's business strategy;
- ▶ know where you are going and how to get there;
- ▶ remember that formal strategic plans do not guarantee success, it is the implementation of the plans that delivers results;
- ▶ know how to plan the use of resources to make the best use of business opportunities;
- ▶ understand how you can contribute to the achievement of the objectives of the key functions in the business and support the strategic activities of colleagues;
- ▶ be able to discern longer-term developments, envisage options and their probable consequences, and select sound course of action;
- ▶ rise above day-to-day detail and see the broader picture;
- ▶ challenge the status quo.

Armstrong, M., (2017), *Armstrong's handbook of Human Resource Management Practice*, Koganpage, 14th edition at pages 592 & 593

HUMAN RESOURCE PLANNING (HRP):

HRM begins with HRP.

- ▶ HRP is a process, consisting of:
 - Forecasting
 - Inventorying
 - Anticipating
 - Planning

Human Resource Planning Defined:

- ▶ HRP the process of forecasting the human resource needed and planning as to compensatory mechanism.
- ▶ HRP is a process by which an organization determines how it should acquire its desired manpower to achieve the organizational goals.
- ▶ HRP enables an organization to have the right numbers, kind of people at the right places, and the right times to successfully achieve its overall objectives.

▶ Ref:

- Lepp, T. L., & Crino, M. D., (1993); *Personnel/human resource management*; New York; NY: Macmillan Publishing Company;
- Beach, D.S. (1979); *Personnel: Personnel Management in Government: Politics and Process*; Volume 33, Issue 1; pages 126-127 available at <https://journals.sagepub.com/doi/10.1177/00197979790330126>
- Glesler, E.B.; (1968); *Organizational placement of manpower planning*; *Human Resource Management Journal*; volume 7, issue 1, pages 29-30; available at <https://online.library.wiley.com/doi/10.1002/hrm.1930070107>

Manpower Planning vis-à-vis Human Resource Planning:

- ▶ Manpower' is the concern of manpower planning.
 - Takes cognition of the 'power' of people to make positive contributions,
 - weaknesses are not its concern,
 - includes the key elements like forecasting, job analysis, training etc.
- ▶ HRP is the resourcefulness and human aspect of the whole enterprise.
 - Assigns greater importance to developing human potential ,
 - concentrates on the key elements like human resource development, succession planning, HR needs, human values, personnel policy, overall long-term HR needs, a cordial organizational climate particularly with the help of cordial industrial relations and employee welfare etc.
- ▶ Summary: manpower planning is concerned with the 'power' of people to make positive contributions; HRP is interested in the 'people' themselves and not merely on people's 'power'.

Objectives of Human Resource Planning:

- ▶ Ensure adequate supply of manpower;
- ▶ ensure employee retention;
- ▶ ensure appropriate use of existing human resources;
- ▶ forecast future requirements of human resources;
- ▶ assess surplus or shortage;
- ▶ anticipate the impact of ICT on HR and plan for it;
- ▶ control human resources;
- ▶ provide adequate lead time for recruitment, selection and training;
- ▶ provide feedback;
- ▶ develop well-trained and flexible work force.

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Need for and Importance of Human Resource Planning:

- ▶ To fill shortage of human resources for the required skills, qualifications and capabilities to carry on work;
- ▶ ensures smooth supply of workers without interruption / natural attrition.
- ▶ essential in the face of workforce turnover;
- ▶ ICT changes and globalization may require a change of the skills and / or number of employees;
- ▶ to meet the needs of expansion and diversification programs of an organization.
- ▶ to rationalize staff distribution.

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Importance of Human Resource Planning:

- ▶ Helps meet the organization's need for the right type of people, in the right numbers at the right times;
- ▶ makes optimum use of human resources;
- ▶ reduces labor costs substantially;
- ▶ helps to avoid foreseeable pitfalls;
- ▶ helps to avoid manpower shortfalls and surpluses;
- ▶ helps the organization create and develop training and succession planning;
- ▶ provides multiple gains e.g. promotions, increase in emoluments and other pre-requisites; fringe benefits etc.

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Importance of HRP cont...

- ▶ Some problems of managing change may be foreseen and their consequences mitigated;
- ▶ compels management to continuously assess the strengths and weaknesses of its employees and personnel policies;
- ▶ helps avoid duplication of efforts and conflict;
- ▶ gives the organization a competitive advantage.

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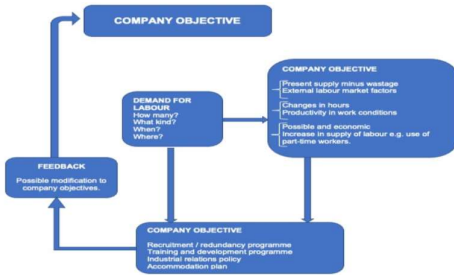
Levels of Human Resource Planning:

- ▶ HRP is useful at different levels, i.e.: -
 - national level
 - sector level
 - industry level
 - at the level of industrial unit (the firm level)

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Human Resource Planning Process:

- ▶ HRP process consists of activities relating to future demand for and supply of manpower and matching the two in the context of overall organizational plans and objectives.
- ▶ The next slide illustrates the HRP process.



Activities involved in the process of HRP:

- ▶ Analyzing organizational forms and objectives;
- ▶ Analyzing objectives of HRP;
- ▶ Forecasting demand for human resources; *how does one forecast requirements for human resources in the future?*
 - Management judgment
 - Work-study method
 - Ratio-trend analysis
 - Delphi technique
 - Flow models
 - Mathematical models
- ▶ Forecasting supply of human resources;
- ▶ Matching demand and supply;
- ▶ Monitoring and control.

Human Resource Information System (HRIS):

- ▶ HRIS is a computerized system that aids the processing of information relating to HRM.
- ▶ Advantages that HRIS offers include:
 - time saving,
 - cheap device,
 - provides accurate information relating to HR,
 - makes information readily available,
 - acts as a decision support system,
 - establishes strong management control.

Problems / Barriers to Human Resource Planning:

- ▶ Perception of over-abundance of human resources availability in abundance in our labor surplus economy.
- ▶ The demand for and supply of human resources is not accurate.
- ▶ Existence of uncertainties e.g. labour turnover, absenteeism, seasonal employment, market fluctuations and changes in technology which render HRP unreliable;
- ▶ Existence of conflict between quantitative and qualitative approaches used for HRP.
- ▶ Wrong perception that human resource personnel are always experts in handling personnel matters.
- ▶ HRP is based on data relating to HR, thus in the absence of reliable data, ineffective HRP are developed.

How Do We Make Human Resource Planning Effective?

- ▶ View human resource plans as an integral part of corporate planning.
- ▶ Ensure support and commitment of the top management before starting the HRP process.
- ▶ Keep complete and accurate records. Databases are the backbone for HRP.
- ▶ HRP time horizon should accommodate the changing needs and circumstances of the organization.
- ▶ Stress both quantitative and qualitative aspects of HRP in a balanced manner so as to avoid conflicts.

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LEGAL FRAMEWORK GOVERNING HUMAN RESOURCE PLANNING:

National Laws:

- ▶ The Constitution of Kenya, 2010;
- ▶ The Leadership and Integrity Act;
- ▶ Public Service Commission Act;
- ▶ The Employment Act;
- ▶ Labour Institutions Act;
- ▶ The Work Injury Benefits Act;
- ▶ The Labour Relations Act;
- ▶ Occupational Safety and Health Act.

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International Labour Conventions / Treaties:

- ▶ ILO Convention No. 29 on Forced Labour;
- ▶ ILO Convention No. 105 on the Abolition of Forced Labour;
- ▶ ILO Convention No. 100 on Equal Remuneration;
- ▶ ILO Convention No. 111 on Discrimination (Employment and Occupation);
- ▶ ILO Convention No. 142 on Human Resource Development;
- ▶ ILO Convention No. 14 on Weekly Rest (Industry).

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FIRM TASKS:

- ❖ *Discuss the modern trends in human resource management.*

- ❖ *Draft a conceptual model depicting the relationship between human resources and other resources towards achievement of an organizational goal.*

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