

# **PRACTICE AND PROBLEMS OF HUMAN RESOURCES PLANNING IN ADDIS ABABA FOAM AND PLASTICS FACTORY**

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## **Abstract**

*The purpose of the study was to describe the practice and the problems of planning human resources in Addis Ababa Foam and Plastics Factory. The quality of the products and the services offered and the production capacity are directly dependent on adequate planning and informed management of the human resources is essential. However, there are significant variations in actual practice of planning human resources and associated problems in companies which are being engaged in various business activities. The general objective of this study was to investigate the factors affecting the practice of planning human resources and the problems in the Factory in Akaki area. In the study, non-experimental research design, quantitative and qualitative research approaches, particularly descriptive sample survey were used. In addition, formal interviews and documentary analyses of published and unpublished documents were conducted. Out of 128 employees in the Factory, a total of 96 respondents were selected and drawn from the four Departments through proportionate stratified simple random sampling method. The quantitative data and the qualitative data were analyzed using descriptive statistical techniques and content analysis respectively. The findings of the study show that there was no participatory planning of human resources because it was practised without considering its internal and external factors, as well as without clear standards. The judgments of the top level management of the Factory were found to be the sole sources of forecasting and planning human resources. Generally, the practice of planning human resources is not effective and efficient and also encounters multi-dimensional problems. Therefore, it is recommended that the Factory should practise participatory planning after it has engaged in SWOT analysis to avail the right number and kind of skilled manpower at the right place and at the time.*

## **Introduction**

The expansion of any company relies on several strategic elements, such as the operation management, the expansion of the markets and clientele, financial management, research and development. For managers, human relations issues

are among the most difficult to address and to resolve (Dumais, 2010, p. 9). Unfortunately, a shortage of time and experience, as well as a dearth of support, coaching and tools are reasons that companies often give for placing human resources management on the backburner. However, it is one of the issues that are strategic to the success of companies working in business areas.

Healthy human resources management not only ensures a motivating and stimulating working environment, but also mobilizes personnel to attain organizational objectives. In addition, such healthy resources is maximizing employees' commitment and ensuring their compliance with the organizational mission.

Therefore, the success of companies relies largely on the ability of companies to conserve, optimize and increase the knowledge of their personnel. Employee's expertise and ideas significantly increase the value of the company and constitute major assets for the organization. Companies that are fully aware of the value of their personnel, and that invest in their development are often those that are most successful in terms of overall performance.

Human resource is one of the most important resources than any other resource for the achievement of organization's objectives to be competent in the dynamic environment and to overcome various threats retaining quality human resource which is very essential for the company. Human resource is thus part of the strategic planning process (Nair, 2004, p. 66). Human resource refers to the quantity and quality of workforce, while planning involves anticipation and preparation for the future. Consequently, one may observe an increasing awareness in business industry with regard to human resources planning.

Human resources planning can be defined as 'the process for ensuring that the human resource requirements of an organization are identified and plans are made for satisfying those requirements' (Nair, 2004, p. 61). Human resource planning,

therefore, determines the human resources required by the organization to achieve its strategic goals. Human resource planning can also be described as a series of activities, consists of planning the necessary programmes of selection, recruitment, training, deployment, utilization, transfer, promotion, development, motivation, and compensation so that future work force requirements are satisfied (Saiyadain, 2003, p. 68).

Human resource planning has two components: requirements and availability. Forecasting human resource requirements involves determining the number and type of employees needed, by skill level and location. These projections would reflect various actors, such as production plans and change in productivity. In order to forecast availability of human resources, the human resource manager looks to both internal source (presently employed employees) and external source (the labour market) When employee requirements and availability have been analyzed, the firm can determine whether or not it has a surplus or a shortage of employees (Ashok, 1998, p. 58).

For most business companies, human resource planning represents a complex function due to the nature of the activities involved. Nonetheless, the exercise can become a task with considerable added value if it is effectively carried out. Labour represents the leading operating expense for many companies in the industry, and it also constitutes an underlying factor for success. The quality of the products and the services offered and production capacity are directly dependent on this component. Adequate planning and informed management of this resource are therefore essential.

Labour planning consists of a series of activities whose objective is to assess labour supply and demand. The first step entails examining the different factors that influence the labour supply on the market and assessing the organization's personnel requirements over the short, medium and long terms (Dumais, 2010, 9).

Thus, it becomes possible to coordinate efforts to enlist competent resources in the right place and at the right time, with a view to attaining organizational objectives.

**Human resource planning is used to** maximize the use of human resources and ensure their ongoing development; to secure the production capacity required to support organizational objectives; to synchronize human resources activities with the organizational objectives; and to increase the organization's productivity. Generally, there are five steps in human resources planning. These steps include: strategic reflection (i.e. analysis of the environment development of organizational objectives), forecasting human resources requirements, forecasting human resources availability, analysis of variance (gap analysis and planning human resources initiatives. Based on this planning, the organization usually devises action plan for its implementation.

Once the type of strategy to implement has been determined, an action plan must be devised to attain the set goals and objectives. This plan must identify the set objectives, the individuals involved and schedules for each human resources planning initiative. Whether or not these include: recruiting, hiring or simply training and development objectives for the personnel already in place, these initiatives must be recorded in writing so as to ensure that they are closely monitored (Dumais, 2010, p. 16).

Human resource planning therefore represents a complex function due to the nature of the activities involved. Nonetheless, the exercise can become a task with considerable added value if it is effectively carried out. Labour represents the leading operating expense for many companies in the industry, and it also constitutes an underlying factor for success. The quality of the products and the services offered and production capacity are directly dependent on this

component. Adequate planning and informed management of the human resources are therefore essential.

However, there are significant variations in actual practice of human resources planning and associated problems in companies which are being engaged in various business activities. Thus, small and medium-sized businesses working in such endeavours face difficult choices. On one hand, they must limit their workforce in order to ensure their financial survival. On the other, they must be able to rely on the best talents available in their industry if they hope to grow or to stand out from their competition. In this context, the ability to effectively assess future labour requirements – human resources planning has become a critical element in the development of business strategies (Brown, 2002). Therefore, it is imperative to assess the practice and problems of human resources planning in Addis Ababa Foam and Plastic Factory. The study mostly focused on nature of job analysis, recruitment and selection process in the Human Resource Department, Finance Department, Marketing Department, and Production Department of the Factory in Akaki Kaliti Sub City in Addis Ababa.

Meeting the goal and becoming successful in today's continuous changing world requires building and retaining a loyal and a motivated staff. However, finding and keeping quality employees can pose a challenge. Handling of these vital elements of human resources should get due consideration from the management side of an institution. In contrast, this may not be a reality on the ground. For this gap, there are some such contributory factors as lack of involvement on the part of stakeholders, of internal and external factors, duplication of work assignment and less skilled manpower. Here, one may raise the following questions for curiosity purpose:

- What types of factors affect the practice of human resources planning in Addis Ababa Foam and Plastic Factory?

- What are the problems related to human resources planning programme in Addis Ababa Foam and Plastic Factory?
- How is the nature of job analysis in Addis Ababa Foam and Plastic Factory? And
- F and Plastic Factory?

The general objective of this study was to investigate the factors that affect practice of human resources planning and problems in Addis Ababa Foam and Plastic Factory. Specifically, the study aimed to investigate the factors that affect practice of human resources planning; to identify problems related to practice of planning human resources programme in the Factory; to examine the nature of job analysis undertaken in Addis Ababa Foam and Plastic Factory; and to determine the extent of effectiveness of the practice of planning in Factory.

## **Literature Review**

Human resource planning is a process striking balance between human resources required and acquired in an organization. In other words, human resource planning is a process by which an organization determines how it should acquire its desired manpower to achieve its organizational goals. Thus, human resource planning helps it to have the right number and kind of people at the right place and right time to successfully achieve its overall objectives (Nair, 2003, p. 70).

Although different scholars in the field (e.g. Geister, 1967, p. 97; Beach, 2002, p. 86; Leap & Crino, 2003, p. 65), have attempted to define human resources planning in line with estimation of necessary qualified people to carry out the assigned activities; determination and assumption of whether or not the organization would have an adequate number of qualified persons available at the proper times; and forecasting, developing and controlling the right number of people and the right kind of people at the right time. In this study, human resources planning can be defined as the comparison of an organization's existing

labour resources with forecast labour demand and, hence, the scheduling of activities for acquiring, training, redeploying and possibly discarding labour. Human resource planning can be described as:

a series of activities, consisting of forecasting future personnel requirements; inventorying present manpower resources and analyzing the degree to which these resources are employed optimally; anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements; planning the necessary programmes of recruitment, selection, training, employment, utilization, transfer, promotion, development, motivation and compensation so that future manpower requirements would appropriately met (Khanka, 2003, p. 27).

There are also characteristics of human resources planning. These include: (1) A human resources plan must be directed towards well-defined objective (Saiyadain, 2003, p. 69); (2) Human resources plan must incorporate the human resource needs of various departments; (3) Human resources planning must envisage a well formulated plan for human resources development, behaviour modification, skills development and educating process. Adequate flexibility must be maintained in human resources planning (Bernardin, 2002, p. 83).

Adaptation of human resources plan not only to the current demand but also to the future demands must be ensured. Any long-term human resource plan must incorporate short-term goals and human needs. A human resources plan should take into account the principles of navigational change, i.e., periodically reconsideration of new developments and extending the plan to cover the changes during the given long period. Planning at the operational level may better be covering short-term while at the top level human resource can be planned for a long term (Michael, 2002, p. 131).

Human resource planning meets the organization need for right type of people in right number at right times. By maintaining a balance between demand for and supply of human resource, human resource planning makes optimum use of human resource, on the one hand, and reduces labour cost substantially, on the other. Careful consideration of likely future events, through human resources planning might lead to the discovery of better means for managing human resource. Thus, foreseeable pitfalls might be avoided. Manpower shortfalls and surpluses may be avoided, to a large extent (Narasaiah, 2003, p. 103).

Human resource planning helps the organization to create and develop training and succession planning for employees and managers. Thus, it provides enough lead time for internal succession of employees to higher positions through promotions.

It also provides multiple gains to the employees by way of promotions, increase in emoluments and other perquisites and fringe benefits. Some of the problems of managing change may be foreseen and their consequences mitigated. Consultations with affected groups and individuals can take place at an early stage in the change process. This may avoid resistance for change (Ashok, 1998, p. 58).

Shaun (2003, p. 45) argues:

[H]uman resource planning has multi-faceted importance for organizations. It compels their management to assess and identify their strengths and weaknesses of the employees, the policies on continuous basis, to take corrective measures, to avoid duplication of efforts and conflict among efforts, to improve coordination of workers' efforts, and to get benefited to increase in prosperity/production, growth, development, profit and, thus, an edge over its competitors in the market.

In addition, human resource planning helps managers as follows:



[T]o firm up their long term supply and demand expectations in that it helps in formulating managerial succession plans, to provide enough lead time for identifying and developing managers, to move up the corporate ladder, to help the growth and diversification of business, to serve as a basis for international strategies, to give the actual staffing practice not to lead to expensive and strategically disruptive turnover and employees, to enhance perfection of weaker sections physically handicapped, socially and political oppressed groups and backward class citizens can get recognition, and to cope with such changes which generate changes in job content; skill demand, number and type of personnel (Khanka, 2003, p. 30).

The same author continues stating that the main objective of such a planning is to ensure adequate supply of man power as and when required; proper use of existing human resources in the organization; and higher labour productivity. It further provides a basis for programmes on management and organization development.

In an organization, the need for human resource planning is realized for the implementation of the plans/objects, for employing new employees, ensuring smooth supply of workers without interruption (Narasaiah, 2003, p. 29). Human resource planning is also essential in the face of marked rise in workforce turnover which is unavoidable and even beneficial (Shaun, 2003, p. 89).

Human resource planning is also required to meet the needs of expansion and diversification programs of an organization. In case of shortage of personnel, for example, it can be made good by downsizing the workforce (Monappa, 1998, p. 53).

Human resource planning thus refers to the resourcefulness and human aspect of the whole enterprise. Accordingly, human resource planning primarily concentrates on key elements, like human resource development, succession planning, human resource needs, human values, personnel policy, overall human resource needs in a long-term perspective, a cordial organizational climate

particularly with the help of cordial industrial relations and employee welfare and so on. In sum, human resource planning is primarily interested in the “people” themselves. In other words, human and human aspects are more emphasized in human resource planning (Aswathapa, 2002, p. 77).

Human resource planning estimates the quantity and quality of people that will be required in future. These depend on the jobs to be staffed. Therefore, job related information is available through job analysis. Jones and Decothis (2003, p. 58) state, “job analysis is the process of getting information about job; specially, what the worker does; how he gets it done; why he does it; skill, education and training required; relationship to other jobs, physical demands; and environmental condition.” The immediate products of the analysis are job descriptions and job specifications.

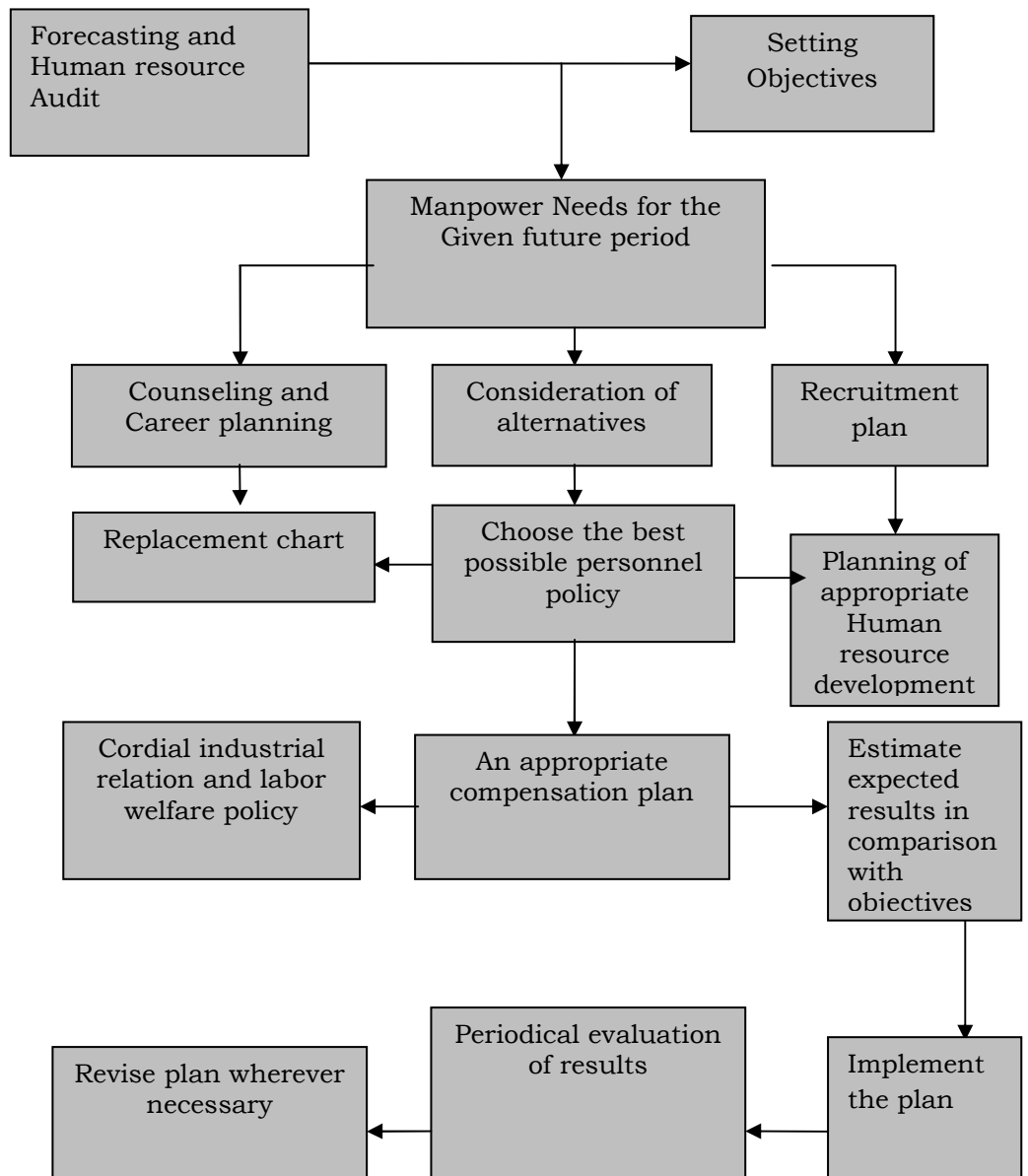
Job description is prepared on the basis of data collected through job analysis. It is a written statement of what a job holder does, how it is done, and why it is done. All major categories of jobs thus need to be spelled out in clear and comprehensive manner to determine the qualifications and skills required to perform a job (Mc Beath, 2000, p. 284).

While job description focuses on the job, job specification focuses on the person, i.e., the job holder. Job specification is a statement of the minimum acceptable qualifications that an incumbent must possess to perform a given job. It sets forth the knowledge, skills and abilities required to do the job effectively. Job specification then specifies the physical, psychological, personal, social and behavioral characteristics of the job holders (Khanka, 2000, p. 17).

Human resource planning is carried out at different levels – at national, sector, industry and industrial unit. For instance, at *the level of industrial unit*, it relates to the man power needs of a particular enterprise (Khanka, 2003, p. 30).

Human resource planning has two components: requirements and availability. Forecasting human resource requirements involves determining the number and type of employees needed by skill level and location. These projections are reflecting various actors, such as production plans and changes in productivity. In order to forecast availability of human resources, the human resource management looks to both internal source (presently employed employees) and external source (the labour market) (Gary, 2004, p. 78). The following are the potential sources of employees: colleges and universities, vocational schools, competitors, etc. Generally, human resource planning involves matching the internal and external supply of people with job openings anticipated in the organization over a specified period of time. As time taking endeavour, it is the process of systematically reviewing human resource requirements to ensure that the required numbers of employees, with the required skill, are available when they are needed (Michael, 2002, p. 140). Therefore, the human resource planning process consists of demand for and supply of manpower and tries to match the two in the context of overall organizational plans and objectives.

In the process of human resources planning, there are various activities which include: analyzing organizational plans and objectives; analyzing objectives of human resource planning; forecasting demand for human resource; forecasting supply of human resources; and matching demand and supply (Sikula, 2002, p. 56).



**Figure 1. Process of Human Resources Planning**

Source: Michael, 2002, p. 141.

Generally, human resource planners must use several techniques of forecasting manpower requirement and availability, such as management judgment; work-study method; ratio-trend analysis; Delphi technique; flow models; mathematical models (Bernardin, 2004, 67).

There are a number of factors which are affecting human resources planning at the enterprise level. Since human resource planning is one of the reduced aspects of strategic plan, it is affected by various factors, including external and internal factors. The former consist of governmental influence; social factors; economic factors; and technological change (Saiyadain, 2003, p. 64), while the internal factors include the type and the strategic plan of the organization; organizational growth cycles and planning; time horizon; and type and quality of information.

There are at least some pre-requisites for successful human resources planning. These include:

- (1) personnel records must be complete, up-to-date and readily available;
  - (2) the time horizon of the plan must be long enough to permit any remedial action;
  - (3) the techniques of planning should be those best suited to the data available and the degree of accuracy required;
  - (4) plans should be prepared by skills levels rather than by aggregates; and
  - (5) data collection, analysis, techniques of planning and the plans themselves need to be constantly revised and improved in the light of experiences
- These are human resources planning responsibilities which should be centralized in order to co-ordinate consultation between different management levels (Aswathappa, 2002, p. 76).

## **Research Design and Methodology**

In the study, non-experimental research design, and quantitative research approach, particularly descriptive sample survey were used to answer those research questions and to address the objectives of the study. This is so because the researcher has no control over the variables in descriptive survey; the researcher simply describes the nature or affairs as it exists at present or has happened or what is happening in the given setting under investigation; and it is also a fact finding of the present situation in the setting (Saiyadain, 2003, p. 89).

In addition, the researcher used documentary analysis of relevant and potential published and unpublished documents.

The study was undertaken in Addis Ababa Foam and Plastic Factory. The total number of employees was 128. From this target population size, the researcher used adequate and representative sample size of 96 employees from both sexes. The selected samples are enough to give adequate pieces of information for the researcher.

In order to select and draw the above-stated sample size, the researcher used proportionate stratified sampling technique to determine proportional sample size from each Department of the Factory. This sample technique employed the four Departments as strata to homogenize the target population. The technique gave equal chance for each employee being selected randomly from each Department. Generally, the researcher employed proportionate stratified simple random sampling technique to draw the samples.

Both primary and secondary data sources were used for this study. The primary data were collected from the sampled respondents using structured questionnaires and through interviews conducted with the General Manager of the Company. The secondary data were also collected from the Factory's structure, employee's profile record, documents in the Company, books, brochures, etc.

The data that were collected through questionnaires were analyzed by using statistical techniques, such as frequency distribution tables which are composed of frequencies and percentages to summarize, as well as to describe the respondent's socio-demographic and other issues under investigation. Those data which were generated through interviews and open-ended questions in the questionnaires were analyzed using thematic and content analyses of the qualitative data analysis techniques.

In the actual data collection procedures, the researcher distributed the questionnaires to the sampled employees of Addis Ababa Foam and Plastic Factory and formal interviews were also held with the General Manager. Among the 96 employees who were selected as sample respondents, a total of 92 questionnaires were correctly filled in and returned back to the researcher. Thus, the rate of return for the questioners was calculated to be 95.8%. Therefore, it was possible to proceed to analyze the data collected.

## **Data Presentation, Analysis and Interpretation**

### **General Characteristics of the Respondents**

Table 1 shows the general socio-demographic characteristics of the study subjects, such as gender, age, educational background level, and department and work experiences. The study population was mostly composed of male, older adults, reached at educational status of grades 5 -12 who were working in the Production and Technical Department of the Factory and who had work experience of ten and above years.

As shown in Item 1 of Table 1, out of ninety-two respondents, 68(73.91%) of them were males, while the remaining, 24(26.09%) of them were females. This clearly indicates that the largest number of employees which are working in the Factory is males. Regarding age distribution of the study subjects, more than half of the respondent's age distribution was in age bracket of older adults. A total of 50(54.35%) them were found to be between 40 and 48. This implies more than half of the employees are older adults.

With regard to educational level, they have already achieved educational levels which may range from primary education secondary cycle to master's degree. As shown in Item 3 of Table 1, 40(43.48%) of them were found to be attended their schooling which range from grade 5 to Grade 12, while a total of 28(30.44%) of the respondents were diploma graduates. This indicates that most employees'

educational level is grade 5-12 and diploma. Therefore, the employees may lack technical expertise for quality production of the Factory's products.

As to the Departments from which the samples were drawn, 30(32.61%) of the employees were from Human Resources Department, 5(5.43%) of them were located in Finance Department, 20(21.74%) of them were from Marketing Department and the rest, 37(40.22%) were found in the Production and Technical Department. One can deduce that the employee population in the Factory has been concentrated more in Production and Technical Department than other Departments.

**Table 1: Characteristics of the Respondents**

	Variable	Respondents		Total	
		f	%	f	%
<b>Gender/Sex</b>	Male	68	73.91	<b>92</b>	<b>100.00</b>
	Female	24	26.09		
<b>Age (year)</b>	18-28	2	2.17	<b>92</b>	<b>100.00</b>
	29-39	13	14.13		
	40-48	50	54.35		
	Above 49	27	29.35		
<b>Educational Level</b>	Read and Write	4	4.35	<b>92</b>	<b>100.00</b>
	Grades 5-12	40	43.48		
	Certificate	12	13.04		
	Diploma	28	30.44		
	First Degree	6	6.52		
	Master Degree	2	2.17		
<b>Department in the Factory</b>	Human Resource	30	32.61	<b>92</b>	<b>100.00</b>
	Finance	5	5.43		
	Marketing	20	21.74		
	Production and Technical	37	40.22		
<b>Work Experience (year)</b>	Below 5	3	3.26	<b>92</b>	<b>100.00</b>
	5-10	7	7.61		
	Above 10	82	89.13		

**SOURCE:** Own study, 2012.



Regarding the respondents' work experience, a total of 82(89.13%) of the employees were found to have service in the Factory for more than 10 years. Thus, the majority of the employees in Addis Ababa Foam and Plastic Factory have had more than a decade work experience.

**Table 2: Role of an Individual in Preparing Human Resources Planning**

Item	Respondents	
	f	%
<b>Does the respondent have a role in preparing the strategic human resources planning of the Factory?</b>		
Yes	13	14.10
No	79	85.90
<b>Total</b>	<b>92</b>	<b>100.00</b>

**SOURCE:** Own survey results, 2012.

The human resources strategic plan of Addis Ababa Foam and Plastic Factory is not prepared in a participatory manner. As shown Table 2, the majority respondents, 79(85.9%) reported that the employees had no role in preparing strategic human resource planning. Generally, the finding suggests that the overwhelming majority of employees are not involved in preparing strategic human resource planning. Therefore, the individual employee is not actively doing his/her assigned tasks in the actual execution of the strategic plan on human resources.

### **Organization Conditions**

As depicted in Item 1 of Table 3, about forty-four percent of the sample respondents were found to disagree, as well as strongly disagree in which the Factory's internal conditions had been considered during developing the its

human resources planning. Similarly, 38.0% of the respondents were found to be neutral in this regard. The findings of the study clearly indicate that Addis Ababa Foam and Plastic Factory has not considered its internal conditions during the development of strategic human resource planning.

**Table 3: Usage of Internal and External Factors while Planning Human Resources**

<b>Internal factors</b>						
<b>Item</b>	<b>Strong Agree (%)</b>	<b>Agree (%)</b>	<b>Neutral (%)</b>	<b>Disagree (%)</b>	<b>Strong Disagree (%)</b>	<b>Total (%)</b>
Organization conditions	4.4	14.1	38.0	27.2	16.3	<b>100.0</b>
Nature of the jobs	6.5	12.0	22.8	34.8	23.9	<b>100.0</b>
Employee Conditions	5.4	12.0	21.7	27.2	33.7	<b>100.0</b>
<b>External factors</b>						
Government regulation or policy	10.9	14.1	33.7	30.4	10.9	<b>100.0</b>
Social factors	2.1	12.0	20.7	33.7	31.5	<b>100.0</b>
Economic factors	1.1	13.0	22.9	31.5	31.5	<b>100.0</b>
Technological change	2.1	16.3	16.3	22.9	42.4	<b>100.0</b>

**SOURCE:** Own study findings, 2012.

### **Nature of the Jobs**

As illustrated in Item 2 of Table 3, about sixty percent of the respondents were found to be strongly agree and disagree in which the Factory had not considered nature of the jobs during developing the Company's human resource planning. This shows that the Factory doesn't consider the nature of the jobs in detail while developing the strategic plan on human resources.

### **Employee Conditions**

About sixty-one percent of the sampled employees stated that the Factory's management members had not considered the employees' working conditions

when they were developing the Addis Ababa Foam and Plastics Factory's strategic human resources plan. This shows that Addis Ababa Foam and Plastic Factory has not observed one of the criteria which is the conditions of employee during the development of the strategic plan on human resources. In conclusion, the management of the Factory does not seriously consider all important internal factors, such as organizational and employee's conditions, as well as nature of the jobs in the Organization while developing its strategic plan of human resources.

### **Government Policy**

About forty-two percent of the employees in the study were found to strongly disagree and disagree with the failure of the Factory's Management Council members had not taken into account the existing Ethiopian Government's policy or regulations when they were developing its strategic human resources plan. As depicted in Item 4 of Table 3, 10(10.9%) of the respondents responded as strongly disagreed in which the Organizational conditions had not been considered during developing its human resource plan. Similarly, a total of 28(30.4%) of the respondents were found to disagree in which the Ethiopian Government's policy or regulation had not been considered while engaging in the Factory's human resource planning. However, the findings of the qualitative study show that there is mixed picture. According to the interviews conducted with top Management Officials of the Factory, the concerned Officials of the Organization usually consider the existing relevant policies and regulations of the Ethiopian Government during the preparation of the strategic plan of the human resources.

### **Social Factors**

As shown Table 3, 29(31.5%) of the respondents strongly disagreed in which the existing social factors had not been considered while developing the Factory's strategic plan of human resources. In addition, about one-third, 31(33.7%) of the respondents disagreed in which the same factors had not been taken into account

during developing the Factory's human resources plan. Based on these analyses, one can deduce that Addis Ababa Foam and Plastic Factory's experts do not consider social factors as one criterion to be given due attention, while preparing its strategic human resources plan.

### **Economic Factors**

A significant majority of the sample employees either disagree or strongly disagree in that the Organization has not considered economic factors in its operational environment when the strategic human resources plan is developed. As indicated in Table 3, 29(31.5%) of the respondents were found to strongly disagreed and 29(31.5%) of them disagreed in which the concerned Officials of the Factory had not given due attention to economic factors in order to prepare the strategic plan of human resources. Thus, the Factory does not consider the economic factors as one of the criteria that have to be given due attention while developing strategic plan of its human resources.

### **Technological Change**

About two-third of the employees expressed that the Factory had not given due attention to existing continuous technological changes when the concerned Officials attempted to plan strategically its human resources. As illustrated in Table 3, 42.4% and 22.9% of the respondents strongly disagreed and disagreed in which the Organization had not considered technological changes while developing its strategic plan of human resources respectively. From this finding of the study, one may conclude that the Organization doesn't consider technological change as an input during human resources planning. In the final analyses, one can conclude that the Factory's top level management members do not seriously consider existing organizational conditions, nature of jobs, employee's conditions, social and economic factors, as well as technological change when they engage in developing its strategic human resources plan.

## **Involvement of Top Management and Labour Union in HR Planning**

In the study, the researcher tried to know whether or not the top management of Addis Ababa Foam and Plastic Factory had been in support of the process of the human resources. As indicated in Table 4, the top management of the Factory is not in support of the planning of its human resources. However, human resource planning requires the commitment of top management as it is a highly critical factor in implementation of strategic goal and objectives. Table 4 showed that 29.3% of the respondents had said the top management did not support, while 70.1% of them expressed the management was in favour of the planning practice. Therefore, the practice of strategic plan of human resources in the Factory is insignificantly supported by top management members.

As shown under Item 2 of Table 4, 17(18.5%) of the respondents replied that there was an involvement of Labor Union of the Factory in the human resource planning. While the majority 75(81.5%) of the respondents voted for no. During planning of human resources, all stockholders must participate. One of them is Labour Union. However, if they are denied to participate in the human resources planning and its implementation would be defective and incomplete. One can conclude that the Labour Union is not that match involved in developing strategic plan on human resources in Addis Ababa Foam and Plastic Factory.

As depicted in Table 4, a total of 73(79.3%) replied that there had not been clear standards to the practice of human resources planning. From this, one can deduce that there is poor standard to actually practise human resources planning in Addis Ababa Foam and Plastic Factory.

In Addis Ababa Foam and Plastic Factory, strategic plan on human resources is developed without active involvement of top level management and Labour Union members. In addition, notwithstanding, the practice of the planning is prepared not according to internationally accepted standards of developing strategic plan on human resources.

**Table 4: Involvement of Top Management and Labour Union and Standards to Practice**

S. No.	Item	Respondents	
		f	%
1	Is human resource planning supported by top management?		
	Yes	27	29.3
	No	65	70.7
	<b>Total</b>	<b>92</b>	<b>100.0</b>
2	Is the labour union found in your Factory involved in the human resource planning?		
	Yes	17	18.5
	No	75	81.5
	<b>Total</b>	<b>92</b>	<b>100.0</b>
3	In your Factory, are there clear standards to practice human resource planning?		
	Yes	19	20.7
	No	73	79.3
	<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own survey results, 2012.

As indicated in Table 5, a total of 27(29.3%) of the respondents stated that there had been a balanced workload given to each employee in the Factory, whereas the majority, 65(70.7%) of the respondents replied that there had not been balanced workload assigned for each employee in the Organization. Based on the findings of the study, one may conclude that the workload given for each employee is not balanced and such things have its own negative consequences. According to the interviews conducted with concerned Officials in the Factory, in contrast, each employee was assigned a balanced workload. In the final analysis and based on observation of the researcher, the Factory's Officials practise the

assignment of imbalanced workload to each employee in those Department under investigation.

**Table 5: Workload and Work Assignment in the Factory**

Item No	Item	Respondents	
		f	%
1	Are you given with a balanced workload?		
	Yes	27	29.3
	No	65	70.7
	<b>Total</b>	<b>92</b>	<b>100.0</b>
2	Is there duplication or overlapping in your work assignment?		
	Yes	73	79.3
	No	19	20.7
	<b>Total</b>	<b>92</b>	<b>100.0</b>
3	Is there a balance between the workload and the number of employees?		
	Yes	12	13.0
	No	80	87.0
	<b>Total</b>	<b>92</b>	<b>100.0</b>
4	Are there assigned employees below and above their qualifications or educational levels?		
	Yes	75	81.5
	No	17	18.5
	<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own survey outputs, 2012.

Item 2 of Table 5 shows that a total of 73(79.3%) sampled employees argued that there had been duplication in work assignment. Therefore, one can conclude that there is overlapping of work assignment in Addis Ababa Foam and Plastic Factory. If there is overlapping of work, then the employees will be disappointed and may get motivated to leave the Organization.

As illustrated in Table 5, more than three-fourth, 80 (87%) of the respondents expressed that the Factory had been practicing the assignment of workload without considering the number of employees in each Department. Thus, there is imbalance between the amount of workload assigned to each employee and the current number of employees in the Factory. If workload and employee is not balance the organization would not productive.

Table 5 indicates that 81.5% of the respondents answered that there had not been employees who were assigned below or above their qualifications. Thus, one may conclude that there are employees who are assigned below and above their qualifications which, in turn, leads employees to get dissatisfied with their jobs. Overall, results of the study suggest that the vast majority of employees are unhappy with workload and work assignments given to them.

**Table 6: Turnover Related to Human Resources Planning**

Item	Respondents	
	f	%
Is there a turnover practice among the employees related to human resources planning?		
Yes	69	75.0
No	23	25.0
<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own survey, 2012.



As shown in Table 6, the majority of the employees (75 percent) stated that there were employees who left the Factory due to problems related to human resources planning. In general, this shows that most of the employees turnover the Organization because of the practice of poor human resources planning.

**Table 7: Current Status of Manpower in Addis Ababa Foam and Plastic Factory**

Item	Respondents	
	f	%
Does your Factory fulfill enough skilled manpower in accordance with the structured designed?		
Yes	12	13.0
No	80	87.0
<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own survey, 2012.

As observed in the Table 7, the overwhelming majority of respondents (87.0%) reported that there was enough skilled manpower according to the structured designed in Addis Ababa Foam and Plastic Factory. From this finding, one may conclude that there is no enough skilled manpower in the Factory.

**Table 8: Human Resources Demand to Supply Ratio**

Item	Respondents	
	f	%
How do you rate demand to supply ratio of human resources in your Factory?		
Very Good	12	13.0
Average	53	57.6
Poor	27	29.4
<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own study results, 2012.

The above table shows that more than half of the employees (57.6%) rated demand of human resources to supply as average. A total of 12(13.0%) respondents were found to rate it as very good, whereas 29.4% of them rated it as poor.

**Table 9: The Position Assigned in the Factory**

Item	Respondents	
	f	%
How do you enjoy your position?		
Very Good	24	26.1
Average	37	40.2
Poor	31	33.7
<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own survey findings, 2012.

As indicated in Table 9, about forty percent of the employees were found to have average level of satisfaction in relation to their positions assigned to them in the Organization. In addition, about one-third of them were found to be in poorly positioned status in the Factory.

**Table 10: Job Description and Job Specification**

Item	Respondents	
	f	%
Is the Factory has clear job description and job specification to the employees?		
Agree	11	12.0
Neutral	19	20.7
Disagree	62	67.3
<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own survey outputs, 2012.

As illustrated in Table 10, more than two-third of the employees disagree with the fact that Factory had no clear job description and specification to each employee.

A total of 62(67.3%) sample employees claimed that there were no clear job description and job specification to each employee. The findings of the study show that the majority (i.e. more than two-third) of the employees are employed without clear job description and specification. However, according to the interviews conducted with Officials in the Factory, there were clearly defined job description and specification given for each employee in Addis Ababa Foam and Plastic Factory. These views are not justified as a reality on the ground, according to eye-witness of the researcher in the Organization.

**Table 11: Effectiveness of Human Resources Planning Practice**

Item	Respondents	
	f	%
How do you rate the effectiveness of human resources planning practice in Addis Ababa Foam and Plastic Factory?		
Very Good	7	7.6
Average	21	22.8
Poor	64	69.6
<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own survey, 2012.

The practice of human resources planning in the Factory is not efficient. As indicated in Table 11, a significant majority (69.9%) of respondents rated that the effectiveness of the practice of human resource planning in Addis Ababa Foam and Plastic Factory as poor. Thus, one may deduce that the human resource planning practice in Addis Ababa Foam and Plastic Factory is not effective.

**Table 12: Forecasting Manpower Techniques**

Item	Respondents	
	f	%
Which of the following method(s) of forecasting manpower technique is/are used in your Organization?		
Management Judgment	45	49.0
Work study method	8	8.7
Delphi method	1	1.1
Flow method	6	6.5
Ratio trend analysis	7	7.6
Mathematical method	25	27.2
<b>Total</b>	<b>92</b>	<b>100.0</b>

**SOURCE:** Own study results, 2012.

The above table shows that 49.0% of respondents stated that the Factory used management judgment as its human forecasting technique, followed by mathematical method which accounted for 27.2%. Therefore, one can conclude that the Business Organization uses management judgment forecasting method to forecast its demand for human resources. In addition, according to the views of the Senior Officials of the Factory, its concerned Officials opted for using management judgment forecasting method to forecast its demand for human resources. Generally, the Officials use very limited human resources forecasting methods, while trying to forecast its demand for the resources.

## **Summary, Conclusion and Recommendation**

### **Summary of Major Findings**

The central theme of this study was to assess and to analyze the practice and problems related to human resource planning process of Addis Ababa Foam and Plastic Factory. In order to achieve this objective, available ample pieces of

related conceptual/theoretical and empirical literature were reviewed, relevant interview questions were asked to the General Manager, as well as other concerned Officials were and questionnaires were also distributed to randomly selected employees of those four Departments in the Factory at the Head Office.

The primary data collected through questionnaire is summarized and presented as follows:

- Regarding employees, background of the workers, most of them were males and had long year experience, held diploma and had reached at grades 5-12, considerably employees were approaching to their retirement age. This implies that the majority of employees are not in their productive age category and they simply live without upgrading their educational qualifications.
- As majority, 79 (85.9%) of employees assured, individual employee had no a role in preparing strategic human resource planning. This implies the Organization cannot be more productive and meets its objectives properly.
- More than half of the employees confirm that the factory has not considered the internal and the external factors during developing human resource planning. This indicates that the Organization does not diagnosis all external and internal environments while developing its strategic plan on human resources. As every business firm operates in globalization era and changes occur day and night, the Company cannot become productive, as well as it cannot stay in the business market for long period of time.
- Human resource planning requires the commitment of top management. As a significant majority 65(70.7%) of employees replied that the human resource planning did not get supported by top management, there was no commitment on the part of the top level management of the Factory.

- In relation to the participation of the Labour Union of the Factory, three-fourth of the employees believed that they were not involved in the actual planning of the human resources.
- Concerning workload and work assignments in the Factory, more than half of the employees believed that the workload given for each employee was not balanced. In addition, almost three-fourth of the employees expressed that there was duplication of work assignment.
- In relation to qualifications, most employees assured that the Factory assigned employees below and above their educational standards and even it did not fulfill enough number of skilled manpower in accordance with the structured designed.
- Most of the employees believed that the practice of human resources planning in Addis Ababa Foam and Plastic Factory was not effective and efficient. Therefore, three-fourth of the employees had opinion of assuring the frequent turnover of workers from the Factory.

## **Conclusion**

As the majority of the respondents claim individuals have no role in preparing strategic human resource planning; the factory has not that match considered the internal and the external factors; the human resource planning was not that match supported by top management during developing organizational human resource planning. One can conclude that without considering the stockholders, the involvement of top level managers and considering internal and external factors human resource planning is in problem. This might also lead to another problem in execution of the process. All in all, points that are raised above are factors that affect human resource planning practice in Addis Ababa Foam and Plastic Factory.

As the majority of the respondents claimed that there had been no clear standards to practice human resource planning, turnover practice was indicated, the balance between workload and employee were not arranged accurately. One can conclude that the human resource planning practice is not achieved correctly without framework or standards. Because of the imbalance of workload given to the employee, they may dislike the jobs are assigned. Thus, those points that have been raised above are problems related to human resource planning in Addis Ababa Foam and Plastic Factory.

Since a reasonable number of respondents indicated that there had not been clear job description and specification in the Factor. Job analysis which determines human requirements that, in turn, leads to job description and job specifications relating to the operations and responsibilities of a specific job is not conducted properly. One can conclude that the Organization may not be productive without putting in place clear job description and job specification.

As the majority of the respondents claimed that the existing number of skilled manpower found in Addis Ababa Foam and Plastic Factory was found to be very less, there was practice of duplication or overlapping of work assignment in the Company. One can conclude that without enough skilled man power companies could not be effective. Generally, the practice of planning human resources in the Factory is not up to the standards.

## **Recommendations**

Based on both quantitative and qualitative data collected and analyzed from those four Departments of the Factory, four basic problems are identified. These include: uninvolved of stakeholders, not considering of internal and external factors, duplication of work assignment and less skilled manpower. The student researcher would like to forward the following recommendations that should be

practised to improve its problems and become effective, as well as productive in its endeavours in relation to the practice of human resources planning.

- ❖ During preparing strategic human resource planning, starting from top level managers and all stakeholders (like Labour Union members) should participate in the process of the preparation. Stakeholders are part and parcels of the Organization and if they actively participate in the actual development of the plan, then they will accept the plan during the process of its execution. They do not become new during its implementation, and then it is a matter of inviting the stakeholders to participate in the planning process – the Factory should practise participatory human resources planning.
- ❖ Addis Ababa Foam and Plastic Factory shall make rigorous environmental, as well as internal analysis while preparing organizational human resources planning. The process of planning begins with analyzing the internal factors, like organizational conditions, nature of the jobs, employee's conditions and the external factors (e.g. government policy or regulation), social and economic factors, as well as technological changes.
- ❖ Work should be assigned to the employees accordingly. Duplication of work assignment may increase turnover of employees. Workload and existing number of employees are checked in each Department in the Factory, and clear job description and specification should be given to the employees. If this is realized on the ground, the employees become satisfied and they have a moral to do their best.
- ❖ With regard to the number and the qualification of employees, Addis Ababa Foam and Plastic Factory should fulfill the right number and kind of people at the right place to increase its productivity. To this end, Factory should practise human resources planning. Proper human resource planning helps an organization to have the right number and kind of people at the right place and time to successfully achieve its overall objectives.



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