

**St. MARY'S UNVIERSITY COLLEGE**  
**BUSINESS FACULTY**  
**DEPARTEMENT OF MANAGEMENT**

**AN ASSESSMENT OF HUMAN RESOURCE PLANNING  
PRACTICE OF ADDIS ABABA FOAM AND  
PLASTIC FACTORY**

**BY**  
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**FEBRUARY, 2012**  
**SMUC**  
**ADDIS ABABA**

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# **CHAPTER ONE**

## **INTRODUCTION**

### **1.1 Back ground of the Study**

Even though, management is a young field, all businesses, governmental and non-governmental are unexpected without management.

Different scholars of the field on agreement define management as a process of planning, organizing, staffing, directing and controlling the use of organization's resources effectively and efficiently. Organizational resources include human, material, financial, information and technology. Addis Ababa Foam and Plastic Factory have all of these business organization resources. It is one of the earliest manufacturing factories in our country. Human resource planning is the overall head of planning because it is the operator of the other resources.

Human resource is the labor force that does work for the organization (sekaran Uma, 2007:316). Managing human resource may be the toughest task to managers because of different interests, attitudes, needs and behaviors of human being. Human resource management is part of management which is concerned with human resource in an organization. (Tulsion, 2003: 20.4). From this point of view it is clear that effectiveness of an organization depend on its policies and practices of utilization of human resource. Thus, it is important to assess the human resource planning practice in Addis Ababa Foam and Plastic Factory. Human resource planning is the process by which an organization ensures that it has the right number and quality of



people at the right place and at the right time. Without human resource, the non-human resources (material, machines money) remain idle. (Tulsion, 2003:204) These reveal, human power of an organization is a primary and vital resource to put on practice all other resources.

Cyclic human resource planning enables managers to achieve the organizational goals and to cope with the dynamic and competitive environment. (Tulsion, 2003:20.5) According to Gomez, workers are valuable and sometimes irreplaceable resource. Human resource strategy is the outcome that establishes the organization's major goals or objectives and indicates the ways they will be achieved. Thus, human resource planning is defined as the strategy for acquiring, using, improving, and preserving a firm's human resource. (Gomez, 2003:14) Human resource planning has quantitative and qualitative analysis aspects to determine the number and quality of the human power of organizations.

Major activities of human resource planning are assessing the current manpower situation, forecasting future human resource needs, analyzing the degree of utilizations the present human power, setting up the current man power to transfer into the future and necessary programs of recruitment, selection, training, induction, job evaluation, development, motivation and compensation. The most responsible section for human resource planning is human resource planning department of the factory.

Human resource planning answers the "WH" questions in the factory in proper manner.

Addis Ababa Foam and Plastic Factory, one of the earliest manufacturing factory in Ethiopia is located in Akaki Kality sub-city Keble 10/11. It was established in 1958/1966 by five share holders (4 foreigners and 1 Ethiopian) with 3, 200 shares, and each share with par value of Birr 100. The factory was nationalized on 3/13/73 E/C. as a per letter ref. No. 1/726-1 dated 3/13/73 with a paid up capital Birr 1, 173, 420. At present the paid up capital of the factory is 1,399,000. Number of workers at the date of establishment was 18, at date of nationalization were 22 and at present is 202. The employees at present are 36 temporary, 8 contracts and 158 permanent.

The objective of the factory is to produce Foam and Plastic products for domestic and export marketing. Its main products are Foam and Plastic with producing capacity of 1092832 kg foam and 524394 kg plastic. Most of the raw materials are imported. It produces 5 kinds of plastics. The factory has four local and five foreigner suppliers. It has available infrastructures and facilities. The factory's annual income is Birr 35, 000,000 up to 37,000,000. Its market facilities and distributions are through whole sellers of governmental and non-governmental organizations and factory's retail shops. It has five major customers and retail shops in Addis Ababa. Now, the factory becomes private company on 01/11/2002 E.C. as paper letter ref. No./50/302 dated 01/10/2002 E.C. As one of manufacturing factory, Addis Ababa Foam and Plastic Factory is expected to produce quality and standard products using its human resource effectively and efficiently. The student researcher is then interested to search the factory's human resource utilization and practice.

## **1.2 Statement of the Problem**

The major problems arise in human resource planning are recruitment, selection, placement, training, Job-evaluation, compensation, performance, appraisal or relations (keitch, patching, 1988:46).

According to Heneman and his associates (1996; 209) the heart of most human resource planning application is staffing planning model which consists of:-

- Determining human resource availabilities.
- Determining human resource requirements.
- Conducting internal and external environment scanning.
- Reconciling human resource requirements with human resource availabilities and setting objective.
- Developing action plan to close the anticipated gaps (surplus and shortage) between human resource requirements and human resource availabilities.

Often human resource planning takes place as an integral part of an organization's annual business planning process (---/Dyer, 1996:206).

There are different human resource problems in Addis Ababa Foam and Plastic Factory. Problems of the factory can be stated as:

1. Lack of having up-to-date labor power
2. The problem of well organized human resource planning department
3. Unable to set up appropriate human resource plan with compatible programs.
4. Human resource planning policies of the factory

### **1.3 Research Questions**

The student researcher seeks to answer the following questions at the end of this research.

- To what extent the factory formulated relevant planning policies?
- What does the assessment of the current human resource inventory of the factory look like?
- How the factory deals with forecasting future human resource demand and supply?

### **1.4 Objective of the Study**

#### **1.4.1 General Objective**

The general objective of this study was to explore and describe the status of human resource planning on Addis Ababa Foam and Plastic Factory.

#### **1.4.2 Specific Objectives**

The specific objectives of the study were to:-

- Assess human resource inventory practice of the factory.
- Analyze the human resource requirement and availability of the factory in the future.
- Review the human resource planning policies in the factory

### **1.5 Significance of the Study**

The findings of this study are to:-

- Enable managers to see some Section/department of the factory.
- Help the human resource planning department of the factory to prevent the situation of shortage or surplus human power in the factory.

- Enable the human resource planning department of the factory to see the skills and experiences of labor force required for the factory.
- Helps the factory to improve its labor power in quantity and quality.
- Helps other researchers to share experience and use it as a base-line. In general the beneficiaries of this study are the managers, employees customers and other researchers.

## **1.6 Delimitation of the Study**

This study is concerned only with Addis Ababa Foam and Plastic Factory human resource planning practice from Sep. 1, 2000/2008 to Dec. 31, 2003/2010

## **1.7 Definition of Terms**

The definitions given below are operational definitions in the context of the study.

**Human Resource Planning (HRP):-** is the process of analyzing the current manpower resource to examine their adequacy quantitatively and qualitatively and forecasting the future human power requirements. (Heneman H.L 1996, 206)

**Planning:-** in case of human resource also refers to the necessary programs of recruitment, selection, training, development, motivation and compensation to meet the manpower requirement.

## **1.8. Research Design and Methodology**

### **1.8.1 Research Design**

Since this study is an assessment of the human resource planning practice in Addis Ababa Foam and Plastic Factory the student

researcher used descriptive research method to state the nature, structure, procedure or system of situation at present.

### **1.8.2 Population and Sampling Techniques**

Here, population refers to the unit of human labor of Addis Ababa Foam and Plastic Factory which is 202. since the study is on planning the student researcher took 20% of relevant respondents out of the 202 employees that is 40 employees in which one respondent stands 4 employees were taken, using probability sampling specifically by simple random sampling technique to include employees at each level, to get available responses for the achieving the research objectives.

### **1.8.3 Types of data to be collected**

The student researcher used both primary and secondary data to have compatible evidences and to achieve the objective of the research. Primary data is a type of data which is collected by the face to face approach of a researcher with respondents. It is first hand information to address the topic of problem where as secondary data refers to the type of data already collected by others for another purpose. It is ready made information to address the problem under study.

### **1.8.4 Methods of Data Collection**

The student researcher used questionnaire and interview checklist to gather primary data and document review in human resource department and other related sections for secondary data.

### **1.8.5 Data Analysis Method**

The student researcher applied descriptive analysis method through, range, percentage, tabulation forms and triangulation. Because the student researcher want to state the current planning polices, human resource inventory and forecasted human resource of the factory.

### **1.9. Organization of the study**

To meet the stated research objectives, this study is organized into four chapters.

**Chapter One:-** contains the introduction sections like background of the study, statement of the problem, objectives of the research, research questions, significance of the study, delimitation of the study definition of terms, research design and methodology, limitation of the study.

**Chapter two:-** refers to related literature review developed by reading and assessing books, articles, magazines and office records.

**Chapter three:-** is data presentation which includes data processing, data analyzing and data interpretation,

**Chapter four:-** summary, conclusion, recommendation.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **2. Overview of Human Resource Planning**

##### **2.1.1 Definitions of Human Resource Planning (HPR)**

It is one of support activities in human resource staffing model which is undertaken to ensure that anticipated business development and environmental trends are taken into account when the various functional activities are designed and implemented, and to ensure these functional activities are consistent with one another. (Heneman and et.at, 1996:204)

Human resource planning must be clearly defined to be well known and implanted. So that different scholars gave various definitions for it. Some of them are here under.

Human Resource planning can be described as a series of activities of the following:-

1. Forecasting future work force requirements either in terms of mathematical projections of economic trends or individual development of through judgmental estimates based upon specific future plans of the company.
2. Making an inventory of the existing manpower resources and analyzing the degree to which these resources are employed.
3. Anticipating work force problems by projecting present resources into the future and accompanying them with the forecasting of requirements to determine their adequacy, both quantitatively and qualitatively.



4. Planning the necessary programs of recruitment, selection, training, development, utilization, transfer, promotion, motivation and compensation so that future work force requirements will be met.(Saiyadain, 2004:51)

Another scholar Heneman and his associates (1996,203) define human resource planning as the process used by organization to:

- Analyze the business plans to establish future human resource requirements.
- Estimate future human resource availabilities.
- Reconcile requirements with availabilities.
- Formulate action plans that will if properly implemented, contribute to achievements of business plans and thus to future organizational success.

In terms of demand and supply, human resource planning is the process of forecasting an organization's future demand for and supply of, the right type of people in the right number. It is only after this that the human resource management department can initiate the recruitment and selection process. (Aswathappa, 2004:53) Human resource planning is a sub-system in the total organizational planning. It facilitates the realization of the company's objectives by providing the right type and the tight number of personnel. Human resource planning is like materials planning that estimate the type and the quality materials and supply to facilitate manufacturing activities of the organization. Human resource is variously called as manpower planning, personnel planning or employment planning. (Aswathappa;2004:53) Human resource planning includes the estimation of how many

people will be available and what if anything, must be done to ensure that personnel supply equals personnel demand at the appropriate point in the future. Especially, human resource planning is the process by which an organization ensures that it has the right number and kind of people at the right place, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its all over objectives. Human resource planning translated the organization's human resource need is reduced to mere guess work,

(Aswatha ppa, 2004, 54).

Srinivas and Kadula (2004; 59) described HRP in talent considerations ad quality of human resource in an organization, particularly of talent availability is largely, contingent upon its human resource planning and talent sourcing practices. When these practices get detailed or professional approach is missed, organization will be saddled with substandard manpower. When human resource planning is absent or carried out in unscientific manner the dominate consequence will be imbalanced manpower that is surplus or deficit man power, both in quality and quantity terms. The possibility of inducing wrong person a right position or a right person to a wrong position is fair when talent sourcing method lacks a rational base. Therefore, it is fundamental to all human resource practitioners that contemporary and scientific approach is adopted in human resource procurement.

### **2.1.2 Significance/Importance of Human Resource Planning**

According to K.Aswathappa, human resource planning plays roles in:-

**Future Personnel Needs:-** Planning is significant as it helps determine future personnel needs surplus or deficiency in staff strength is the result of the absence of or defective planning. The problem of excess staff results in voluntary requirement scheme (VRS) and the absence of succession planning results in a situation where many organizations function without chief executives.

- **Coping with changes:-** Human resource planning enables an enterprise to cope with changes in competitive forces, markets, technology, products and government regulations. Such change generated changes in job content, skill demands, number and in some areas while surplus in other areas may occur.
- **Created Highly Talented Personnel:-** Jobs are becoming intellectual and incumbents are getting vastly professionalized. The human Resource manager must use his/her ingenuity to attract and retain qualified and skilled personnel. These people are known for job hopping, thereby creating frequent shortages in the organization. Man power planning helps prevent such shortages. Technology changes will often upgrade some jobs and degraded others. These situations could be avoided if the organization had done human resource planning. Another facet of the high-talent personnel is management succession planning, who will replace the retiring chief executive? From what pool of people will to executives be selected and how will

these individuals be groomed for their increasing responsibilities? HRP is an answer to these and other related questions.

- **Protection of Work Selections:-** In matters of employment and promotions, sufficient presentation needs to be given to candidates physically hand capped, children of socially and politically oppressed and back ward class citizens. These groups enjoy a given percentage of jobs, notwithstanding the constitutional provision which guarantees equal opportunities for all. A well conceived personnel planning program would protect the interests of such groups.
- **International Strategies:-** International strategies depend upon human resource planning department's re-assignment of employees from within or across international business. With the growing trend towards will grow as well as, the need to integrate human resource planning more closely into the organization's strategic plan, HRP will grow increasingly important countries and the attendant cultural, language, and developmental considerations grow complex. Without effective HRP and subsequent attention to employee recruitment, selection, placement, development and career planning, the growing competition for foreign executives many lead to expensive and strategically disruptive turnover among key decision makers.
- **Foundation for personnel conditions:-** Manpower planning provides essential information for deciding recruitment,

selection, personal movement (transfer, promotion and layoffs), training and development.

- **Increasing Investments in Human Resources:-** Another compelling reason for HRP is investment an organization makes in its human resources. Human assets, as opposed to physical assets, can increase in value. An employee who gradually develops his/her skills and abilities becomes more valuable resource, because an organization makes investments in its personnel either through direct training or job assignments, it is important that the employees are used effectively throughout their careers.
- An increasing number of executives are acknowledging that the quality of the workforce can be responsible for significant differences in short-and long run performances.
- **Resistance to Change and Move:-** There is a growing resistance among employees to change and move. There is also a growing emphasis on self evolution and on evaluation of loyalty and dedication to the organization. All these changes are making it more difficult for the organization to assume that it can move its employees around anywhere and anytime it wants, thus, increasing the importance and necessity of planning ahead.(Aswathappa/K, 2002:-53-56)

**Other benefits of HRP:-**

Upper management has a better view of the human resource dimensions of business decisions.

Personnel costs may be less because the management can anticipate imbalances before they become unmanageable and expensive.

More time is provided to locate talent

Better opportunities exist to include women and minority groups in future growth plans.

Better planning of assignment to develop managers can be done.

Major and successful demands on local labor markets can be made. (Aswathappa, 2002:-57).

**Similarly, human resource plan helps;**

- To avoid sudden disruptions in an enterprise's production run.
- To enable the management(s) to adopt suitable strategies to cope with the situation.
- A manager to meet increasing demands either due to business growth or expansion.
- To give adequate time for recruitment, selection and training programs.
- To provide alternatives for fulfilling non-availability of suitable human resource.
- To cope the organization with the technological changes, growing complexity of business operation. (Saiyadain, 2004:51)

**2.1.3 Objectives of Human Resource Planning**

- Searching for and recruiting highly skilled and especially qualified employees.
- Getting the best employee and assigning him/her to the right work, so that efficiency and production can be maximized.

- Anticipating the changed requirements of personnel and be prepared for it organizationally.
- A forward looking activity plan that will help the management in identifying organizational needs, in developing people and providing them growth opportunities (saiyadian, 2004;53)

Objective of human resource planning is the most important in organizations because policies, strategies, and programs are derived out of objectives. The basic objectives of human resource in an organization are;- to develop employees suitably for effective utilization in the organization, to recruit and select the best qualified persons for each job, to retain best and promising employees by adequate compensation and benefits, to provide facilities of person's growth and career prospects which will make them fully satisfied and motivated to provide employees stability and improve industrial relations and to empower the employees to give their best performance to the organization. (Latha Nair, 200:57)

#### **2.1.4 Evolution of Human Resource Planning (HRP)**

As early as in 1800 B.C. minimum wage rate and incentive wage plan were included in the Babylonian code of Hammorbi Human resource planning is a new term as that of human discipline names personnel management or personnel administration (Aswathappa, 2004:15-16).

Human resource planning is a sub-branch of human resource as a crucial step. For instance in Idea formal human resource management was made in 1929 from which HRP emerges (saiyandian, 2004:3).

Historically, 1998 it found out as human resource planning in human resource management (Heneman and others, 1996:205).

## **2.2 Basic Factors to be Considered in Human Resource Planning**

### **2.2.1 Preliminary Issues of Human Resource Planning**

Organizations can not simply rush into HRP without thinking through some very important issues which involves:-

The comprehensiveness of planning, planning horizons, coverage,  
Roles of line managers and staff planners

### **Comprehensiveness of Planning adopts three Planning Approaches/Varieties, such as**

- a) Plan-based HRP:-** an integral part of an organization's annual business Planning process.
- b) Project-based HRP:-** a plan needed to correct situations which occur rapidly and unexpectedly.
- c) Population-based HRP:-** planning focused on a single employee group recruitment and development for in advance of the time fully training.

**Planning Horizons:-** is planning involves a look into the future/how far into the future? For plan-based HRP the planning horizon would be between three and five years, for project-based HRP the planning horizon might involve from few months up to three years and planning horizon, for population based HRP focusing on to executes usually looks out for 1-2 years.

**Coverage:-** HRP involves large numbers of employees in an organization grouping into small groups under categories/ job-title to make the task force both manageable and meaningful.



**Role of Line managers and staff planners:-** responsible for the completion and quality of HRP. Initially the staff specialist (planner) the lead in proposing which type (s) HRP will be undertaken in making suggestions while the final decisions are usually the prerogative of line managements.

Over time companies become comfortable with one type of HRP. (Heneman, 1996:206-209)

### **2.2.2 Strategic Consideration in Human Resource Planning**

Human Resource Planning Strategies are mobilization development and direction of required resources for attaining the laid down objectives. Human resource strategy involves development of alternative programs to achieve a given objective. The best alternative must be selected to meet the best result. Strategic consideration in human resource planning involve, laying down objectives, policies, programs, and plan or action.

Policies are guidelines for action. Some examples of policies are:-

- i) Policy on recruitment and selection from outside how many and at what grade?
- ii) Policy on promotion within-what is the criteria for promotion between merit and seniority?
- iii) Policy on employee who are not likely promoted.
- iv) Policy on those employees who do not want to be promoted
- v) Policy on those persons who are found successful or are not available, are not promoted.

Thus, there is a necessity to lay down policies very clearly for each area so that there is no room for misunderstanding.

### **Specific Policies:-**

➤ **Compatible with public policy:**

The human resource that must not be at longer heads with public policy in wages, salaries, working conditions, amenities etc.

➤ **Policy on recruitment and Selection:**

There must be necessary policy in these areas.

➤ **Policy on Career Path:-**

Policies must take into account the aspirations and expectations of employees while meeting the organization's objectives.

➤ **Promotion and transfer Policy:-**

Policies must be formulated for promotion and transfer of employees. Policies which must be laid down in these areas are: Consideration of seniority versus merit, time duration, specialized knowledge, retention in the organization, proper utilization, separation and minimum tenure

➤ **Policy on Stability:-**

It involves on meeting surpluses and shortages.

Surpluses:- to meet surpluses policy must be laid down on

- ❖ Retrenches- work sharing
- ❖ Layoffs - reduced working hours
- ❖ Absence without pay - early retirement
- ❖ Loan/leading - non-replacement on attrition

Shortages:- to meet shortages policies must be laid on

- ❖ Part time employment
- ❖ Labor contract
- ❖ Flex timing etc.

➤ **Development and utilization; areas require specific policies formulations are**

- ❖ full utilization of skill - training program
- ❖ wage of skills - management development scheme
- ❖ emphasis on potentialities - cross training in more specialization.  
of skills and knowledge.

➤ **Compensation Policy: Policy on:**

- ❖ Wages and salaries - incentive schemes
- ❖ Merit rating/performance - increments/efficiency rating appraisal

➤ **Motivation and empowerment Policy: policies laid down on**

- ❖ Participation Brain storming
- ❖ Benefits - Flexi-system
- ❖ Promoting innovation and creativity

➤ **Industrial/labor relation policy: policies developed on**

- ❖ Recognition of union - board level participation of employees
- ❖ Union management relation - wages agreement redresses of grievance procedure. (Latha Nair 2004:58)

### **2.2.3 Techniques of Human Resource Planning**

The purpose of human resource planning is to make available, right quality and quantity of human power at the right time in the organization. Human resource planning typically involves two steps; human resource demand and supply.

Demand forecasting has to be done based on a number of short- and long-term factors such as:-

Changes in economy, technological trends, market trends, global trends, strategic plans of organization, ongoing and immediate future projects or operations, production schedules

Some of the qualitative and quantitative popular techniques of human resource planning are:

- a) **Predictor variables:-** This technique is akin to statistical tool of regression. Based on past employment levels vis a vis sales or production, the future requirement can be forecasted. It is extrapolation of an assessment to similar situations.
- b) **Zero-base technique:-** The present level of employment is used to determine future requirement. Everything starts with zero. It implies that the organization has zero manpower and starts analyzing manpower requirement for each operator carefully.
- c) **Bottom up technique”-** This is a widely used technique. The process involved is, each manger gives his requirement of human resource in operations he is responsible. Requirement projected by all managers will be aggregated to draw organizational level forecast.
- d) **Simulation technique:-** is a technique of experimentation. A real-time situation will be created and then forecast assessment will be made planting manipulating different quality and quantity man power (Ibid, 2004)

#### **2.2.4 Elements of Human Resource Planning**

Human resource planning consists of:-

- Forecasting requirements of manpower
- Deficiency in terms of quantity viz numbers
- Deficiency in terms of quality and specialization

- Phasing requirement of manpower and time scale
- Economy of employment
- Efficient utilization of manpower and other resources
- Integration of persons of organization (Latha Nair 2004:59)

## **2.3 Basic Steps to Human Resource Planning**

### **2.3.1 Human Resource Inventory**

The first step to answer the question where are we? is to prepare human resources inventory (HRI). Human resource inventory is the process to take the stock of current man power in terms of their numbers and skills. It is list of employees currently in the roll of an establishment given information such as trade, grade, qualification, skill, age experience, present prominent hold etc. Human resource inventory consists of staffing many persons at the current period holds and perform duties of each job. It is revised duties un realistic in level of capacity that:-

There are many whose capacity is not fully utilized in the present appointment held by them.

There could be many “square pegs in round hole” who are not fit to hold the appointment presently held by them.

Capacity or skill inventories takes into account availability of talents, aptitude, and skills of existing employees, despite the fact whether such persons are presently employed to their appropriate fields or posts. Cases of such amenities must be specifically mentioned so that, as and when vacancy arises in the future, these persons can be employed advantageously and more effectively which will be more beneficial to the individuals as well as to the organization. In SWOT- analysis, document to assess the

organizational strength, weakness as well as future threats terms of knowledge and skill the organization possesses. Data for human resource inventory can be obtained by methods such as application forms, questionnaires, Delphi techniques, observation by supervisors and opinion from experts. (Latha Nair, 2004:69)

### **2.3. Human resource Forecast**

What is certain is uncertainty of future. As time passes working environment changes internally and externally.

#### **i) Internal change in organization environment are:-**

Product mix and capacity utilization, Acquisition and mergers, activities of expansion operation and technological up gradation, union management relations, wage revision and bonus payment, empowerment of employees, reorganization and induction of new managers, profit sharing and participations changes of ownership and Board of directors

#### **ii) Change in external working environment**

Government regulations, educational and technical development, improvement of economical level and per capital income level of population, employment opportunities vis-à-vis unemployment levels, outlook of unions and workers towards organization, monopoly restriction and competitive, market economy and globalization, liberalization of trade barriers and tariffs, competitors strategy, technological development, social orientation of business, consumerism, public opinion on militancy unionism, public opinion on social security of workers, International management concepts

Human resource plan depends heavily on forecasts, expectations and anticipation of the future events. The requirements of man power in terms of quality and quantity are directly linked with future events, the longer the period of forecasting, and the greater the uncertainty. Planning involves developing alternatives and contingent plans.

### **Factors Influencing Human Resource Forecast**

- ❖ **Time horizon:** the longer the period, the greater the uncertainty and too short a period, the insufficient lead time for preparation, sufficient time is needed for training personnel, developing a technology or products, building of factory.
- ❖ **Economic factors:** business is an economic activity. Forecasting human resources in the future must take into account expectations on wages and salaries of employees, per capita income, cost and price of raw materials, inflation rate and consequent compensation packages, fiscal policies on globalization of economy and liberalization of trade
- ❖ **Social factors:** forecast of human resources must take into account an expectations of existing and potential employees on wages, working conditions and governmental regulations, future trend in political influences and public opinions
- ❖ **Demographic factors:** have decision influence availability of youth, training or college facilities, sex ration, and facilities for professional education, income level, and educational level.
- ❖ **Competition:** competitors strategies influence future requirements of human power in a Variety of ways such as promotional steps taken advertisement, quality of product,

distribution channels, pricing of products etc, will reveal the direction to formulate strategies of a given organization.

- ❖ **Technological Factors:** technology controls labor force and capital through the number of operators and increase the quality output manifold. Forecast of manpower depends heavily on future trends in technology
- ❖ **Growth and Expansion of Business:** future growth and expansion plan affect future requirements of human power through product diversification, increasing capacity of production, merger, acquisition, joint venture, participation; forming vertical and horizontal integration, step up national and international value chain.
- ❖ **Management philosophy/Leadership:** the exact number and type of requirement of manpower in future is a decision of top-management which of significant leadership of the top-management
- ❖ **Innovative management:** forecast of manpower must take into account globalization and liberalization of trade increase competition. Innovative steps are necessary to sustain competitive advantages, continuous improvement flexible organizational structure, economics of variety, relationship of management, customer loyalty, core competence, and empowerment of employees. (Latha Nair, 2004:69-71)

### **Techniques of Forecasting**

There are two broadly available categories of human resource forecast:

1. Exploratory survey which includes Delphi technique, brainstorming, committee method, expert opinion, consultancy



2. Operation research technique includes trend analysis, frequency, distribution and significance analysis (Latha Nair 2004:71)

### **Procedures of making forecast**

- Folly on plan (fixed forecasting period)
- Forecast of demand (future strategies and growth patterns) like new products, product mix, change of the existing product, up gradation of technology, phasing out obsolete and old production lines, merger, acquisition, joint venture steps, new markets
- Forecast of suppliers:
  1. Lead time required for positioning man power
  2. Attrition career path (plan used for separation of employees) due to retirement, resignation and deaths
  3. Promotion and transfer refers to mean gain or loss of each departments because of creating surplus and deficiency
- Net deficiency of manpower: requirement of persons (R) for any grade or trade transfer has taken place a department determined based on:  $R_i = D_i - S_i$  where:-

$R_i$  = net requirement in  $i^{\text{th}}$  period.

$D_i$  = total demand for period.

$S_i$  = total surplus for period.

Or

$D_i = N_c + N_i + A_i(P_{in} + T_{in})^{i-j}$

$S_i = N_o + (P_{in} + T_{in})^{i-j}$  where:

$N_c$  = current requirement

$N_i$  future requirement for 1th period

$A_i$  = attrition rate for 1th period estimate.

$N_o$  = availability of current persons

$(P_{in})_{i-j}$  = promotion expected out of the department

$(T_{in})_{i-j}$  = transfer expected out of/into the department.

- Sample population of forecast requirement: deficiency can be made good by recruitment and selection of new employees with allowance for lead time (et at, 72-73)

### **2.3.3 Job-analysis (Job-description and Job-specification)**

**Job-analysis** is the term used to describe a process of examining jobs in order to identify their main features, in particular, the duties they fulfill, the results they are expected to achieve, the major tasks undertaken, and the jobs relationships with other jobs in the organizational hierarchy. The product of job analysis is job-description.

**Job-description** it is the basic framework that is written as job-title, location, and date of analysis. **Job-title** includes:- immediate supervisor, relationship with other jobs, over all purpose of the job, main duties/key tasks responsibility, authority granted, resources available to the job-holder and principal qualification required for job.

Important issues for working within the frame work key job features are:

What is the reason for the existence of this job?

What end results are expected from the job?

What key tasks to be carried out?

How much formal authority does the job carry?

What resources the job command?

What formal qualification and experience is required to perform the job-satisfactory? (G.A.Cole:112)

The function of proper definition and design of work is called job-description. Employees turnover is a very acute problem in most of industries world over. Employee turnover causes series in-convinces, high costs, wastages of training manpower, reduces morale and motivation. Employee turnover is due to mismatch between:

- Expectation and reality in the nature of the work requirements in the job and capacities
- Responsibility and compensation

The aspect of defining the desired attribute for the incumbent for each job is called job-specification. It is the mismatch between actual capacity and required capacity which is caused due to improper assessment of desired skill, knowledge experience for the person to hold the job. (Latha Nair, 2004:74).

Quantitative aspects of human resource planning involves in job-analysis of

- Job-description
- Job-specification

### **Job-analysis:-**

It is a process of gathering, analyzing, and synthesizing information regarding to operations, duties, and responsibilities of a specific job.

The two major aspects of job-analysis are:-

- a) Job-description
- b) Job-specification

### **Job-analysis is useful various ways:-**

In human resource planning, recruitment, selection and placement.

In developing training programs

In job-evaluation

Performance appraisal

### **Job-description:-**

It is the statement of duties and responsibilities of specific job. It contains information

- What is to be done?
- How is to be done?
- Why is to be done?

It is the summary of contents of job itself without with the job/the work to be assigned to a particular individual.

### **Uses of Job-description**

- Provides as basis for assigning work and for guiding and monitoring individual performance
- Inhuman resource planning
- In job evaluation
- In developing training and development program
- For job-specification.

### **Job-specification:**

It is a statement of minimum qualities which a person should possess to perform the job effectively.

### **It is related to:-**

aptitude and ability

personality and related characteristics

educational qualification and training

experience

physical and mental requirements

decision making and judgment of the individual job-holder

(Tulstan, 2003:02.4)

## **CHAPTER THREE**

### **DATA PRESENTATION ANALYSIS AND INTERPRETATION**

This chapter refers to the analysis of data collected from primary source via questionnaire and interview as well as from secondary source through document review methods of Addis Ababa Foam and Plastic Factory. The data focused on the human resource planning practice of this factory. The student researcher took 40 respondents out of employees of the factory by simple random sampling technique. Forty copies of questionnaire were distributed to respondents and all of these papers are collected and analyzed. The student researcher reviewed the factory's documents of human resource planning. Recruiting, training, inventory, forecasting remuneration practices and interviewed four concerned principals to get sufficient and available information.

These data are presented by tabulation and percentage analysis and interpreted as follows.

## 1. Personal Profile of respondents

**Table -1**

<b>Variable</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
Sex	Male	34	85
	Female	6	15
	<b>Total</b>	<b>40</b>	<b>100</b>
Age	18-30	-	-
	31-43	8	20
	44-55	22	55
	Above 55	10	25
	<b>Total</b>	<b>40</b>	<b>100</b>
Qualification	MA/MSc	8	20
	BA/BSA	10	25
	College Diploma	12	30
	Certificate	4	10
	12/10 complete	6	15
	Below grade 10	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
Year of Service	1-5 years	2	5
	6-10 years	2	5
	11-15 years	6	15
	16-20 years	10	25
	21-25 years	8	20
	Above 25 years	12	30
	<b>Total</b>	<b>40</b>	<b>100</b>

### Survey source

From this table 85% of the factory's survey source employees are males and only 15% are females. This denotes that the female employees are much less than male employees which implies that the factory does not give sufficient attention to hire women employees.

- Age wise respondents replied that they are between 31 and 43 years; 22 respondents are between 43 and 55 years, and 10 respondents are above 55 years, this indicates that 80% of employees (55%:25%) are above 44 years old.
- Concerning qualification, 8 respondents (20% MA/MSc), 10 respondents (25% BA/BSc) 12 respondents and (30% diploma) employees are the factory's workers. This shows that 75% of the employees are diploma and above holders where as 10% of employees are certificate and 15% of employees are 12/10 complete. This implies the factory, had almost qualified employees.
- The years of service, 36 respondents (90% of employees) replied that they have worked above 10 years in the factory. Among 36 respondents 12 of them worked above 25 years, the rest for respondents (10% of employees) have worked for 1-5 years. These reveals the factor's of human resource lacks new employees with new knowledge and skill which results high status quo of employees.

## 2. Responses Related to the human resource planning practice

**Table – 2.1 Responses subjected to HRP practices**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
To what extent the human resource department set up the human resource plan of the factory?	Very high	4	10
	High	20	50
	Medium	8	20
	Low	8	20
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
How do you rate the adequacy of information requirements of human resource planning?	Very high	8	20
	High	18	45
	Medium	8	20
	Low	6	15
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
The extent that you are clear with the job description of your given post?	Very high	18	45
	High	10	25
	Medium	8	20
	Low	4	10
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
To what extent the criteria used to measure your performance related to your Job-description?	Very high	18	45
	High	16	40
	Medium	4	10
	Low	2	5
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
To what extent the performance evaluation's feed back contributed towards you improvement on job?	Very high	6	15
	High	22	55
	Medium	8	20
	Low	4	10
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey source



As reviewed in the table above

- 20 respondents (50% of employees) replied the human resource planning department practice in set up of human resource plan is high. On the other hand; 8 respondents (20% of employees) responded that the HRP department practice is low. The interviewees also ascertained the HRP department excluded requirements of HR-Plan such as training and induction, placement and acquaintance, assessment and feedback, Job-description and Job-specification and Job-facilities practices/ programs (I.Q 7.1). These denote gaps of planning for human resource in the department.
- Regarding to the information requirements of human resource planning of the factory, 18 respondents (45% of employees) responded “high” where as 8 respondents (20% of employees) replied “low”. The interviewees replied the employees participation in accepting their appraisal results is medium (IQ 7.8). These indicate there are some problems of information requirements to be solved.
- Concerning the job-description clarity to the employ’s post 18 respondents (45% of employees) rated “very high” and 10 respondents (25% of employees) rated “low” and the interviewees described one of the human resource plan element job-description is excluded from the plan (IQ 7.1). These imply there are some problems to check.
- For the relation between criteria of job evaluation and job-description, 18 respondents (45% of employees) rated “v (IQ 7.7).These indicates there are small gaps t be avoided.

**Table 2.2 Responses subjected to Human resource plan approve**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
Who approves the human resource plan of the factory?	• The HR department manager and other departments managers	8	20
	• HR Department manager and the general manager	26	65
	• The HR-department manager only	2	10
	• Employees assembly	-	-
	• If others	4	5
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey source

Since no respondents give more than one alternative answers shows this table shows, 26 respondents (65% of employees) assured the human resource plan is approved by the human resource department manager and the general manager and 8 respondents (20% of employees) replied the HR department manager and other departments' managers. On the other hand no respondent responses for employee's assembly. This indicates factory problem to participate employees in the approval of its human resource plan.

### 3. Issues related to Human resource Inventory practice

**Table 3.1 Responses subjected t human resource inventory period of the factory**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
How often does the human resource department make inventory of the factory's employees?	Yearly	12	30
	Bi-annually	8	20
	Quarterly	20	50
	Not at all	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey source

This table shows that 20 respondents (50% of employees) replied the HR department made inventory quarterly and 12 respondents (30% of employees) responded the department made inventory yearly and 8 respondents (20% of employees) responded the department made inventory annually.

The interviewees also described the result of the labor force inventory are used sometimes (IQ 7.6) this implies there are problems of having fixed inventory period and use of the result of inventory properly.

**Table 3.2 Responses subjected to the measure take practice of the factory for surplus labor power.**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
What measure the factory takes for the surplus labor power	• Retrench/Firing	6	15
	• Lay off	22	55
	• Fairly retirement	4	10
	• Reduced working hours	8	20
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey source

This table shows 6 respondents (15% employees) responded the factory took firing measure for surplus labor power, 4 respondents (10% of employees) replied the factory took early retirement measure, 8 respondents (20% of employees) responded the factory took reduced working hour measure for surplus labor power, 22 respondents (55% of employees) replied that measure taken by the factory for surplus labor this implies that other alternatives are not taken in to account properly.

**Table 3.3 Responses subjected to measure take practice of the factory for shortage of labor power**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
The measure the factory takes to meet shortages of labor power	• Full utilization of the current employees skill	20	50
	• Regular training of employees	6	15
	• Wage of skill	4	10
	• Recruit new employees	10	25
	<b>Total</b>		<b>40</b>

Survey source

20 respondents (50% of employees) responded. The factory takes full utilization of the current employees skill measure. 6 respondents (15% of employees) replied the factory provides regular training to employees and 4 respondents (10% of employees) responded the factory uses wage skill measure and the rest 10 respondents 25% of employees replied the factory takes measure of recruit new employees interviewees ascertained it is use full to have balanced required number of employees (IQ 7.9) and they also said departments have sufficient employees in term of quantity but not in terms quality. (IQ 7.2) this implies other alternatives of measure taking methods and quality of employees are not sufficiently taken in to consideration.

#### 4. Responses to questions related to forecast Human resource of the factory

**Table 4.1 Responses related to the human resource departments accuracy to forecast the hr of the factory.**

Item	Characteristics	Frequency	%
How do you rate the human resource department's accuracy to forecast human resource of the factory	• Very high	10	25
	• High	16	40
	• Medium	12	30
	• Low	2	5
	• Very low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey source

Table 4.1 shows 16 respondents (40% the employees) responded that the human resource departments accuracy forecast for the HR of the factory is high and other 12 respondents (30% of the employees) replied the accuracy of forecasting is medium. On the contrary 2 respondents (5% of the employees) replied that the accuracy of forecasting for HR is low. The interviews revealed the requirement for casting future HR is included in the factory's HR plan (IQ 7.1) this implies there are some accuracy of forecasting problems.

**Table 4.2 Responses the techniques the factory uses to forecast the HR of the factory.**

Item	Characteristics	Frequency	%
Techniques the factory uses to forecast the future human resource requirement	• Predictor (Indicator) variable	26	65
	• Zero- base	6	15
	• Bottom up	8	20
	• Simulation/pretending	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey Source

This table shows that 26 respondents (65% of the employees) assured the techniques the factory uses is predictor variable technique, 6 respondents (15% of employees) replied the factory is bottom base technique and other 8 respondents (20% of employees) responded the factory uses bottom up technique to forecast future HR requirement No despondences to simulation technique of forecasting. This implies that other techniques are not taken into account appropriately for instance the widely used bottom up technique.

**Table 4.3 Responses for questions related to the remunerations providing practice of the factory**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
The extent that the existing remuneration system of the factory is attractive to retain good employees and keep their morale	Very high	10	25
	High	14	35
	Medium	10	25
	Low	6	15
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
The rate of the satisfaction of employees the existing remuneration system of the factory	Very satisfied	8	20
	Satisfied	26	65
	Dissatisfied	6	15
	Very dissatisfied	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
The extent the factory gives chance for employees to discuss on the existing remuneration system	Very high	2	5
	High	12	30
	Medium	14	35
	Low	12	30
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
The level of commitment of employees to stay in the factory with the existing provision	Very high	8	20
	High	14	35
	Medium	16	40
	Low	2	5
	Very Low	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey Source

### **The table 4.3 above**

- Concerning the attractiveness of the existing remuneration system 14 respondents (35% of the employees) replied that the attractiveness of the existing remuneration system of the factory is high .10:10 respondents (25%:25% employees) responded very high and medium respectively. On the other hand 6 respondents (15% of employees) replied the attraction of the remuneration system is low. This implies the remuneration system of the factory has some gaps to be checked.
- For the degree of satisfaction of the existing remuneration system of the factory, 26 respondents (65% employees) responded satisfied, 8 respondents (20% employees) replied very satisfied, where as 6 respondents (15% employees) responded dissatisfied. The interviewees also assured relevance system to the job performed by employees depended on the job of individual (IQ 7.5) this denotes the presence of some problems of satisfaction in the existing remuneration system of the factory. The interviewees also assured relevance system to the jobs performed by employee's dependence on the job of individual (IQ 7.5).
- Regarding the degree of the factory to discuss the existing remuneration system with employees, 14 respondents (35% of employees) responded medium, other 12 respondents (30% of employees) responded low. This indicates the factory has some problems to discuss on the existing remuneration system.
- Concerning the level of commitments of employees to stay in the factory, 16 respondents (40%of employees) replied medium. Other 14 respondents (35% of employees) responded high and 8 respondents (20% employees) responded very high Only 2 respondents (5% employees) replied low. This implies some problems to be avoided.

## 5. Information related to recruitment of the factory

### 5.1 Responses subjected to sources of recruitment the factory uses.

Item	Characteristics	Frequency	%
The sources of recruitment the factory uses most	• Internal source first and external second source	22	55
	• External source first and internal source second	-	-
	• Both internal and external sources equally	-	-
	• Internal or external source accordingly	18	45
<b>Total</b>		<b>40</b>	<b>100</b>

Survey Source

This table shows 22 respondents (55% of employees) responded the factory uses internal sources first and external source second and the rest 18 respondents (45% of the employees) replied, internal or external sources accordingly. This indicates that the factory uses only two alternatives.

**Table 5.2 Responses for questions related to internal source recruitment for job**

Item	Characteristics	Frequency	%
The Job position the factory uses internal source	• For promotion	24	60
	• For transfer	10	25
	• For succession	6	15
	<b>Total</b>	<b>40</b>	<b>100</b>
To what The extent internal employees are given chance for recruitment in vacancies posted by the factory	Very high	12	30
	High	6	15
	Medium	22	55
	Low	-	-
	Very Low	-	-
<b>Total</b>		<b>40</b>	<b>100</b>

Survey Source



From table 5.2 the following responses are obtained

- 24 respondents (60% of employees) replied the factory uses the internal sources for promotion, 10 respondents (25% of the employees responded the factory uses internal source for transfer and 6 respondents (15% of employees) replied for succession. This implies the factory uses the internal source mostly for promotion and rarely for succession. The interviewees also said not yet recruitment and selection takes place in the factory (IQ 7.3).
- For the extent the factory give chance for internal employees to the vacancy posted, 22 respondents (55% of employees) replied medium, 12 respondents (30% of employees) responded very high and 8 respondents (15% of employees) replied high. This indicates there are some gaps to give chance to internal employees.

**Table 5.3 Responses subjected to advertisings the factory uses most.**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
Posting vacancy announcement paper on public board	Very often	14	35
	Often	8	20
	Sometimes	10	25
	Rarely	8	20
	Very rarely	-	-
	Not at all	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
Through news paper and magazine	Very often	40	75
	Often	30	15
	Sometimes	6	-
	Rarely	-	-
	Very rarely	4	10
	Not at all	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
Radio and TV	Very often	-	-
	Often	-	-
	Sometimes	-	-
	Rarely	-	-
	Very rarely	-	-
	Not at all	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>
Internet	Very often	-	-
	Often	-	-
	Sometimes	-	-
	Rarely	-	-
	Very rarely	-	-
	Not at all	-	-
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey Source

This table show 14 respondents (35% of employees) relied the factory uses public board very often, 8 respondents (20% of employees) responded the factory uses public board often, 10 respondents (25% of employees) replied sometimes and the rest 8 respondents responded rarely. On the other hand, the factory uses news paper and magazine, 30 respondents (75% of employees) replied very often, 6 respondents (15% of employees replied often and the rest 4 respondents (10% of

employees replied very rarely. This implies the factory uses only the two types of advertisings.

## 6. Information related to HR training and development practice of the factory

**Table 6.1 Responses subjected to the periodic training offered to employees**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
Promotion	Very often	4	10
	Often	12	30
	Sometimes	2	5
	Rarely	8	20
	Very rarely	4	10
	Not at all	10	25
	<b>Total</b>	<b>40</b>	<b>100</b>
Refreshment	Very often	6	15
	Often	12	30
	Sometimes	14	35
	Rarely	2	5
	Very rarely	2	5
	Not at all	4	10
	<b>Total</b>	<b>40</b>	<b>100</b>
Safety and Health	Very often	6	15
	Often	4	10
	Sometimes	12	30
	Rarely	6	15
	Very rarely	2	5
	Not at all	10	25
	<b>Total</b>	<b>40</b>	<b>100</b>
Job- training	Very often	8	20
	Often	10	25
	Sometimes	16	40
	Rarely	-	-
	Very rarely	2	5
	Not at all	4	10
	<b>Total</b>	<b>40</b>	<b>100</b>
Orientation	Very often	6	15
	Often	10	25
	Sometimes	14	35
	Rarely	4	10
	Very rarely	-	-
	Not at all	6	15
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey Source

From this table the following responses are attained 12 respondents (30% of the employees) replied the promotion training offered to the employees often, 14 respondents (35% of employees) replied refreshment training offered to employees sometimes, 12 respondents (30% of employees) responded safety and health training offered to employees sometimes, 16 respondents (35% of employees) responded orientation offered sometimes. On the other hand, 10 respondents (25% of employees) responded. Promotion training not at all offered, 4 respondents (10% of employees) assured refreshment training not at all offered, 10 respondents (25% of employees) safety and health training not at all offered, 4 respondents (10% of employees) job training not at all offered and 6 respondents (15% of employees orientation not at all offered to employees. This implies there are gaps in training offered by the factory. The interviewees revealed the factory expects an employ perform work effectively and efficiently from the training offered. This shows the gaps between the benefit of the factory need and trainings offered IQ 7.4)

**Table 6.2 Responses subjected the kinds training have been taken by employees**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
The kind of training you have been offered so far	• On –Job only	4	10
	• Off –Job only	16	40
	• Both on –Job and off-Job	14	35
	• On –Job or off-Job accordingly	6	15
	<b>Total</b>	<b>40</b>	<b>100</b>

Survey Source

Since no respondents give more than one alternatives answers 6.3 table shows, 4 respondents (10% of employees) responded they took on-job training only, 16 respondents (40% of employees) replied off-job training,

14 respondents (35% of employees) replied both on-job and off job and the rest 6 respondents (15% of employees) took on-job or off-job training. This implies that large number of employees took off-job, both on-job and off-job training which requires high cost.

**Table 6.3 Responses subjected to the benefits of employees from the training program of the factory**

<b>Item</b>	<b>Characteristics</b>	<b>Frequency</b>	<b>%</b>
The extent the employee have been benefited of the training program of the factory	Very high	4	10
	High	14	35
	Medium	14	35
	Low	-	-
	Very Low	8	20
	<b>Total</b>		<b>40</b>

Survey Source

6.3 table reveals that 14: 14 respondents (35%, 35% of employees replied high and medium respectively to the benefits gained from the training offered by the factory. On the other hand, 8 respondents (20% of employees) responded the benefit gained from the training is very low. This indicated the presence of a problem of benefit gained from the training offered by the factory.

## 7. Responses to interview Questions

This interview was highly scheduled interview. The student researcher (the interviewer) had selected 4 interviewees (respondents) who are principals in the factory. FGS are 3 males and a female. All of them had involved. The researcher prepared and conducted 10 structured interview questions which are triangulated. And the interview took 1:15 hours.

### 7.1 Responses Subjected to questions in the a check list

<b>Included in HR-Plan</b>	<b>Excluded in HR -Plan</b>
➤ Current human resource inventory program	➤ Training and induction program
➤ Forecasting future human resource practice	➤ Placement and acquaintance practice
➤ Recruitment and selection practice	➤ Assessment and feed back practice
➤ Performance appraisal evaluation practice	➤ Job- Description and Job-specification practice
➤ Transfer and promotion practice	➤ Job – facilities practice
➤ Reward and motivation practice	-
➤ Source of labor force (Internal & External)	-

The reasons out the excluded requirements are belonged to other departments not to HRP- department of the factory.

## **CHAPTER FOUR**

### **Summary, Conclusion and Recommendation**

This chapter includes Summary, Conclusion and Recommendation of the study

#### **4.1 Summary of the Study**

The student researcher conducted this study with a general objective to explore and to describe the status of human resource practice under specific objective to assess the human resource inventory practice to analyze the human resource requirement and availability, to review the current resource planning policies of Addis Ababa Foam and plastic Factory. On the basis of data collected, analyzed and interpreted, the study comes up with the following findings:

A. From the history of the factory's employees

- 85% are male and 15% are female in which number of female employees is much less than males.
- 20% of the employees are in the age range of 31-43 years, 55% of them are in the range 44-55 years and 25% of others are above 55 years. This assured that there are no employees in the age range 18-30 years.
- 20% of the employees are MA/MSc degree holders, 25% of the employees are BA/BSc – degree holders, 30% of others are diploma holders, 10% employees are certificate 15% of them 12/10 complete. This denotes there are no employees below grade 10.
- 30% employees above 25 years service, 65% of employees have 6-25 years service and 5% of them have service from 1-5 years. This shows the factory has no new employees with new knowledge and skill.
- The performance evaluation's feed back contribution towards the employees improvement on job, 70% employees accept highly while 30% of employees accept it low.

- B. Regarding to the factory's human resource plan set up practice, 50% employees said high where as 20% of the employees assured it is low.
- While the rest 30% employees said very high and medium.
  - The adequacy of information requirements of human resource planning, 65% of employees rated very high and high on the other hand 35% of employs rated medium and low.
  - The clarity of job description the employees, given post, 70% of employees assured very high and high where as 25% employees said medium and low.
  - The criteria to measure the performance of employees related to job-description, 85% of employees accept highly but 15% of employees said it low.
- C. For the human resource inventory practice of the factory 50% employees said that human resource inventory period is quarterly, 20% of employees said by quarterly while 30% of others said yearly.
- 55% employees assured that the measure the factory took for surplus labor power is lay-off.
  - 50% of employees said the factory's practice to meet shortage of labor power is fully utilization of the employees' skill.
- D. To wards to human resource forecasting practice of the factory
- 65% of employee assured the accuracy of human resource department to forecast human resource of the factory is highly where as 35% employees said that is medium.
  - 65% of employees mentioned the forecasting technique the factory used is predictor variable. While the rest 35% of employees said zero base and Bottom up technicques.
  - 60% of employees said that the current remunerator system of they factory is highly attractive while the rest 40% mentioned its medium and less attractive.



- 65% employees assured that employees are satisfied with the existing remuneration system of the factory where as 15% employees said it is dissatisfied.
- 35% of employees mentioned the factory give chance to discuss on the existing remuneration system while other 35% employees said medium and the rest 30% rated it low.
- 55% of employees assured their commitment to stay in the factory is high and 40% employees mention medium but 5% employees are low committed.

E. Regarding to the recruitment practice of the factory

- 55% of employees mentioned the factory uses internal source primarily to recruit for vacancy while 45% employees said uses internal or external source accordingly.
- 60% employee mentioned the factory uses internal source for job promotion, 25% said for transfer while 15% employees said for succession.
- 45% employees said the extent the factory give chance for employees for internal recruitment for a posted vacancy is high while 55% mentioned it medium.
- 75% employees mentioned the factory uses news paper and magazine very often for advertisement and the factory does not use radio, TV and internet at all.

F. To human resource training and development practice of the factory:

- 30% employees mentioned promotion training is often given while 25% employees said it is not given at all.
- For refreshment training, 45% employees said it is given very often and often, 35% employees said sometimes while 20% employees mentioned rarely and very rarely.
- For job training, 45% employees mentioned it is very often and often given, other 40% employees rated as it is given sometimes and the rest 15% employees said it is given very rarely and not at all.

- For orientation, 40% employees mentioned it is very often and 35% said it is sometimes while 25% employees rated it is given rarely and not at all.

Generally 20% employees assured job training is very often given while 25% employees assured safety and health training is not given at all.

- For where training have been given to employees 40% employees mentioned off-Job only, 35% said both on Job and off-Job, 10% employees on –job-only and the rest 15% employees reviled on –job-of –job accordingly.
- For the benefits of employees from the training program of the factory 45% of employees rated very high and high, 35% of employees said medium and the rest 20% of employees mentioned very low.

G. Regarding to the interviews, the interviewees assured

- Training and induction, placement and acquaintance, assessment and feed back, Job-description and Job-specifications and job facilities programs are excluded from the human resource plan of the factory.
- Each department in the factory has employees with sufficient quantity and insufficient quality.
- The interviewees revealed at present not yet recruitment takes place in the factory to say whether the current recruitment and selection method and the factory's policy are compatible or not.
- Interviewees said that, the factory expects benefits from the conducted training work done effectively and efficiently by the trainees.
- The interviewees mentioned the current remuneration of the factory relevancy to the work performed by the employees depends on the job of individuals.
- Interviewees answered the results of labor force inventory's are sometimes used properly.

- Interviewees said the type of performance appraisal mainly applied in each department is confidential report method.
- Interviewees replied; at present the human resource inventory of the factory coincides with the already formulated plan.
- They mentioned the human resource planning is useful for forecasting the human resource in advance; to assign employees and evaluate their performance.

All in all, the findings enable the student researcher to achieve his objectives.

## **4.2. Conclusion**

Based on the summarized findings of the study, the student researcher has drawn the following conclusions.

- According to the employees profile survey source, the factory human resource plan has deficiency of having diversity employees such as women, young and new workers that is the factory's human resource plan lacks comprehensiveness.
- According to the human resource planning survey source, the human resource planning department has gaps of clarity of job-description, the criteria to measure the employee's performance. It means the human resource plan has missed foundations for personnel conditions.
- As a result of issues related to human resource inventory practice survey source, the factory's human resource inventory period is unstable and it provides less attention to other techniques than lay out measure for surplus, fully utilization of current employees skill measure for shortage of labor power. Which is unable of identifying square pegs in round hole and talented employees.

- According to the human resource forecast of the factory's survey source there is some accuracy problem of the factory's human resource department in forecasting human resource for the future. It doesn't give appropriate attention for the techniques to forecast the future human resource of the factory. IT lacks appropriate police on stability..
- There are some gaps, revealed in attractiveness, satisfaction, willingness to discussion the existing remuneration system of the factory. IT lacks motivation and empowerment police.
- As a result of information related to requirement of the factory's survey source, there are problems of recruitment practice of the factory from internal and external sources, as well as on the purpose of using internal source recruitment this means there are problems on requirement and selection policy of the factory.
- According to the advertisings the factory uses most survey resource factory has a problem of using alternative advertising media that is the factory's information system is weak.
- According to the periodic training offered to employees' survey source, the factory has problems of offering training such as job-orientation, safety and health trainings that is there are problems on the factory's motivation and empowerment policy.
- According to where training have been taken by the employees the factory survey source, the factory has a problem of selecting high cost trainings and lacks development &utilization police.
- As a result of benefits employees gain from training program of the factory source of survey the factory lacks to give benefits to employees for the training they took. IT doesn't give proper attention police

### **4.3 Recommendation**

Based on the problems mentioned in the conclusion of the study above, the student researcher suggested the following recommendations that may solve the identified problems:

- The factory's human resource planning department /the factory must hire young new employees who are with new knowledge and skills. To be up to date and to reduce status quo of employees.
- The factory's human resource plan must include all necessary elements/ requirements while planning
- The factory should make a fixed inventory period and balance the shortages and surplus of its human power and use the results of the inventory properly.
- The factory should set up beneficial training and evaluation programs for both the factory and the employees.
- The factory should make clear the criteria, methods and results of performance appraisal to employees.
- The factory should give chance to employees to discuss on the current remuneration system. the factory must be participatory.
- Generally, the human resource planning department of the factory should give full attention to the human resource plan from its setup to its implementation and evaluation then feedback of the factory By considering the basic factors of HPR

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**St. Mary's Universality College**  
**Business Faculty**  
**Department of Management**

**Questionnaire to be filled by employees of Addis Ababa foam and Plastic Factory.**

This questionnaire is designed to assess the human resource planning practice in Addis Ababa Foam and Plastic Factory. Thus, your honestly response to the questions and comments is vital for attainment of the objective of the study. The information you provide here will be confidential and used only for academic purpose.

**Notice:**

- No need of writing your name
- Put mark "√" in the corresponding box for alternate responses of each question
- Answer the open ended question in short in the space provided

Thank you in advance for your cooperation

**Personal Information**

1. Sex                      A. Male                                       B. Female
2. Age:                      A. 18-30                       B. 31-43                       C. 44-55
3. Qualification:      A. MA/MSc       B. BSc/BA       C. College diploma   
                                    D. Certificate                       E. 12/10 Complete   
                                    F. Below grade 10
4. Year of Service:      A. 1-5 years       B. 6-10 years       C. 11-15 years   
                                    D. 16-20 years                       E. 21-25 years   
                                    F. Above 25 years

**QUESTIONS RELATED TO THE HUMAN RESOURCE PLANNING PRACTICE**

1. To what extent does the human resource department set up the human resource plan of the factory?
  - A. Very high
  - B. High
  - C. Medium
  - D. Low
  - E. Very Low
2. Who approves the human resource plan of the factory?
  - A. The HR department manager only
  - B. The HR department manager and other departments managers
  - C. The HR department manager and the general manager
  - D. Employees assembly
  - E. If other specify \_\_\_\_\_
3. How do you rate the adequacy of the information requirements of te human resource planning?
  - A. Very high
  - B. High
  - C. Medium
  - D. Low
  - E. Very Low
4. To what extent you are clear with the job desecration of your given post?
  - A. Very high
  - B. High
  - C. Medium
  - D. Low
  - E. Very Low
5. To what extent the criteria used to measure your performance relate to your job
  - A. Very high
  - B. High
  - C. Medium
  - D. Low
  - E. Very Low
6. To what extent the performance evaluation's feedback contributed towards your improvement on job?
  - A. Very high
  - B. High
  - C. Medium
  - D. Low
  - E. Very Low

### **QUESTIONS RELATED TO HUMAN RESOURCE INVENTORY**

1. How often does the human resource department make inventory of the factory's employees?
  - A. Yearly
  - B. Bi-annually
  - C. Quarterly
  - D. Not at all
2. What measure the factory takes for surplus labor power in the factory? (possible to tick more than once)
  - A. Retrench/firing
  - B. Layoff
  - C. Early retirement
  - D. Reduced working hours
3. What measure the factory takes to meet shortage of labor power?



- A. Full utilization of the current employee's skill
- B. Regular training of employees  C. Wage of skill
- D. Recruit new employees

**QUESTIONS RELATED TO FORECAST HUMAN RESOURCE OF THE FACTORY**

1. How do you rate the human resource department's accuracy to forecast human resource of the factory?
  - A. Very high  B. High  C. Medium  D. Low  E. Very Low
2. What techniques the factory uses to forecast the future human resource requirement?
  - A. Predictor (indicator) variables  B. Zero-base
  - C. Bottom-up  D. Simulation/Pretending
3. To what extent the existing remuneration system of the factory is attractive to retain good employee and keep their moral?
  - A. Very high  B. High  C. Medium  D. Low  E. Very Low
4. How would you rate the satisfaction of employees on the existing remuneration system of the factory?
  - A. Very satisfied  B. Satisfied
  - C. Dissatisfied  D. Very dissatisfied
5. To what extent the factory gives chance to employees to discuss on the existing remuneration system?
  - A. Very high  B. High  C. Medium  D. Low  E. Very Low
6. What is your level of commitment to stay in the factory with the existing provision?
  - A. Very high  B. High  C. Medium  D. Low  E. Very Low

**QUESTIONS RELATED TO RECRUITMENT OF THE FACTORY**

1. Which of the following sources of recruitment the factory uses most?
  - A. Internal source first and external source second
  - B. External source first and internal source second
  - C. Both internal and external sources equally
  - D. Internal or external source accordingly
2. For which job position the factory uses internal recruitment?

A. For promotion  B. For transfer  C. For succession

3. To what extent internal employees are given a chance for recruitment in vacancies posted by the factory?

A. Very high  B. High  C. Medium  D. Low  E. Very Low

4. Which method of advertising the factory uses most? (Possible to tick more than once)

Item	Very often	Often	Sometimes	Rarely	Very rare	No at all
➤ Posting vacancy announcement	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Paper on public board	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Through news Paper & magazine	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Radio and TV	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
➤ Internet	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

#### Questions related to HR training and development

1. How often you have been offered with the following types of training?

Item	Very often	Often	Sometime	Rarely	Very rare	No at all
Promotion	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Refreshment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Safety and Health	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Job training	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

2. Which of the following kinds of training you have been offered with so far?

A. On-Job only  B. Off-Job only  C. Both on-Job and Off-Job

3. To what extent you have been benefited of the training program of the factory?

A. Very high  B. High  C. Medium  D. Low  E. Very Low

## Interview Questions

1. Identify the requirements included in and excluded from the hr-plan of the factory on the checklist below

<b>Requirements</b>	<b>Included</b>	<b>Excluded</b>
Current human resource program		
Forecasting future human resource practice		
Recruitment and selection practice		
Training and Induction program		
Placement and acquaintance practice		
Performance appraisal Evaluation practice		
Assessment and feed back practice		
Transfer and promotion practice		
Reward and motivation practice		
Job facilities practice		
Job description and job specification practice		
Source of labor force (internal and external)		

2. Does your department have sufficient employees both interns of quality and quantity explain?
3. Do you believe that the present recruitment and selection method compatible with factory's policy?
4. What benefits the factory expect from trainings given to employees?
5. Are the current remunerations of the factory relevant to jobs performed by the employee's?
6. Are the results of labor force inventory of the factor used properly?
7. Which type of performance appraisal is mainly applied in your department?  
(Confidential report method or graphic rating scale or others)
8. To what extent the employee's participate in appraisal results accepting?
9. How do you see the human resource inventory of the factory in the light with the already formulated plan?
10. How do you describe the overall human resource planning of the factory?

## **DECLARATION**

I, The Undersigned, Declare that this senior essay/project is my original work, prepared under the guidance of Terfie Feyera. All source of materials used for the manuscript have been dully acknowledged.

NAME \_\_\_\_\_

SIGNATURE \_\_\_\_\_

PLACE OF SULBMMISSION \_\_\_\_\_

DATE OF SUBMISSION \_\_\_\_\_

## **SUBMISSION APPROVAL SHEET**

This paper has been submitted for examination with my approval as an advisor.

NAME: \_\_\_\_\_

SIGNATURE: \_\_\_\_\_

DATE: \_\_\_\_\_