

St. MARY'S UNIVERSITY COLLEGE

BUSINESS FACULTY

DEPARTMENT OF MANAGEMENT

**ASSESSMENT OF HUMAN RESOURCE PLANNING PRACTICE IN
YENCOMAD CONSTRUCTION PRIVATE LIMITED COMPANY**

BY

MENBERE ANDREAS

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SMUC

ADDIS ABABA

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**A SENIOR ESSAY SUBMITTED TO
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BY: MENBERE ANDREAS

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CHAPTER ONE

INTRODUCTION

1.1. Background of the Study

Why human resource planning? Human resource planning is one of the functions of Human resource management (HRM). HRM is the strategic and coherent approach to the management of an organization's most valued assets - the people working there individually and collectively contribute to the achievement of the objectives of the business.

Human resource planning has traditionally been used by organizations to ensure that the right person is in the right job at the right time (Vetter, 1967:-p. 56). Under past conditions of relative environmental certainty and stability, human resource planning focused on the short term and was dictated largely by line management concerns. Increasing environmental instability, demographic shifts, changes in technology, and heightened international competition are changing the need for and the nature of human resource planning in leading organizations (Mills, 1985; Dumaine, 1989). Planning is increasingly the product of the interaction between line management and planners. In addition, organizations are realizing that in order to adequately address human resource concerns, they must develop long-term as well as short term solutions. As human resource planners involve themselves in more programs to serve the needs of the business, and even influence the direction of the business, they face new and increased responsibilities and challenges.

Human resource planning is the term used to describe how companies ensure that their staffs are the right staff to do the jobs (Jackson and Schuler, 1990:-p.1). Sub topics include planning for staff retention, planning for candidate search, training and skills analysis and much more. Human resource planning - activities that managers engage in to forecast their current and future needs for human resources.

So human resource planning is the process wherein they choose the right employee for the organization to meet or reach the objectives of a business.

Human resources planning refers to, classic HR administrative functions, and the evaluation and identification of human resources requirements for meeting organizational goals (Richard, 1984:-p.23). It also requires an assessment of the availability of the qualified resources that will be needed. Human resources planning should be a key component of nearly every corporation's strategic business planning. To ensure their competitive advantage in the marketplace, organizations must implement innovative strategies that are designed to enhance their employee retention rate and recruit fresh talent into their companies.

The human resource planning processes of most best practice organizations not only define what will be accomplished within a given timeframe, but also the numbers and types of human resources that will be needed to achieve the defined business goals (e.g., number of human resources; the required competencies; when the resources will be needed; etc.) (Jackson and Schuler, 1990:-p.6).

Competency-based management supports the integration of human resources planning with business planning by allowing organizations to assess the current human resource capacity based on their competencies against the capacity needed to achieve the vision, mission and business goals of the organization. Targeted human resource strategies, plans and programs to address gaps (e.g., hiring / staffing; learning; career development; succession management; etc.) are then designed, developed and implemented to close the gaps.

As mentioned above human resource planning is a critical part for larger organization to effectively meet the goal set by the organization. In this study human resource planning practice of YENCOMAD Construction P.L.C is assessed well.

1.2. Background of the organization

YENCOMAD Construction Plc is a first class General Contractor (GC-1) chartered in Ethiopia to provide services in civil works project, mainly road construction and maintenance, building construction and maintenance, water construction works,

airfield construction etc. It is one of the leading construction companies having expertise in construction of asphalt and gravel roads, buildings, airfields and bridges.

YENCOMAD has its headquarter in Addis Ababa, headed by Ato Yemeru Nega owner and General Manager, who is assisted by Deputy General Manager and seven departments and other supporting units.

YENCOMAD Construction Plc has highly qualified and seasoned engineers, professionals of different disciplines and technicians. YENCOMAD CONSTRUCTION PLC, organized under professional management comprises of corporate office and various projects at sites. In less than sixteen years time the staffs of YENCOMAD has grown over twenty fold. At present, YENCOMAD has over 1200 employees excluding daily laborers and these are classified as 15 management, 45 supervisory, 75 technical staff as well as 146 qualified financial, administrative & clerical staffs and the rest are operators & foremen.

1.3. Statement of the Problem

Many employers resist Human Resource Planning, as they think that it increases cost of manpower as trade unions demand for employee based plans, more facilities and benefits including training and development. Further, employers feel that HRP is not necessary as candidates are/will be available throughout the year because of unemployment cases in third world countries. Trade unions and employees also resist HRP as they view that it increases the work load of employees and prepares program for securing the human resources mostly from outside (Jackson and Schuler, 1990:-p.3). The other reason for their resistance is that HRP aims at controlling the employee's thorough productivity maximization.

Companies that don't follow good human resource planning practices forced to react to situations instead of take charge of them (Burack and Elmer, 1985). For instance, a company that doesn't have a good grasp on what it takes to manage human resources may find that a position needs to be filled. The focus will be on filling that position as quickly as possible, instead of the strategies that could be

used to make sure the ideal person gets that position rather than just someone who could do the job.

Good human resources planning also can eliminate things like huge job cuts to cut costs. Companies that value their employees and have each one in the right position will find that each person pulls his or her weight, and that cutting them will be to the detriment of the company. If a company can cut huge amounts of staff with no or little loss in business operations and efficiency, then the planning was done poorly from the beginning to allow too many staffs that are unnecessary. Companies that plan well from the beginning typically find other ways to cut costs thanks to the innovative and forward-thinking staff they've hired.

Using good strategies to get the right person and give them incentives to stay and do a good Planning will give the company better talent and higher retention, thereby lowering costs and creating a better atmosphere of morale within the company. During apprenticeship attachment at YENCOMAD construction plc the student researcher observed that construction sector of Ethiopia has faced huge shortage of skilled and semiskilled laborers. Shortage of labor was indicated in monthly and annual progress reports as the main constraint of progress of projects undertaken by Yencomad. If appropriate human resource planning is not in place it would worsen the situation.

Therefore, in this study practice of human resource planning in YENCOMAD Construction Plc is assessed as a case of Construction Company in Ethiopia.

1.4. Research Questions

1. What factors are considered to develop human resource planning of the company?
2. How human resource planning is practiced in the company?
3. What are the challenges exist in human resource planning of the company?
4. What attitude employees do have about company's human resource planning?

1.5. Objective of the Study

1.5.1. General Objective

The General Objective of this study is to assess the Human Resource Planning practice of YENCOMAD Construction Plc.

1.5.2. Specific Objectives

The specific objectives of the study are:

- to assess factors considered in the companies human resource planning
- to assess strategies in human resource planning practice of the company
- to investigate existing problems and challenges in human resource planning of the company
- to assess attitude of employees toward human resource planning.

1.6. Significance of the Study

This research may improve the research knowledge of the student. It will also help other interested researchers as a stepping stone to understand research in the same area. Besides, the results of the research may enable the organization to know its weakness and strength in human resource planning and work toward improving its weaknesses and keep its strengths.

1.7. Delimitation of the Study

Human resource planning is one of the functions of Human Resource Management. This study is delimited to the current (2000 E.C. to 2002 E.C.) human resource planning practice of YENCOMAD Construction plc head office and hence the result obtained from this research dose not generalized to all construction companies of the country.

1.8. Research Design and Methodology

1.8.1. Research Design

In this study, a descriptive survey research design type is employed. The major reason to select this type of research method is to investigate company's human resource planning practice in depth. Descriptive survey offer advantages like acquiring a lot of information through description and useful for identifying variables.

1.8.2. Population and Sampling Techniques

Populations of this study are head office employees, manager and supervisors at different levels of the organization's seven departments namely, Engineering & Construction Department, Monitoring & Evaluation Department, Human Resource Department, Finance Department, Material Supply Department and Equipment Administration & Maintenance Department. The size of the population is about 120 people.

The sampling technique used is stratified random sampling. This insure inclusion from each level and makes members at same level same chance of being selected for the sample. About 30% (thirty percent) i.e. 36 in number, of the population is considered as a sample size in the study to ease the management of the study and to make the study less costly.

1.8.3. Types and Source of Data

Data collected for this study are both primary and secondary sources. Primary data were collected directly from respondent employees, managers and supervisors by administering questionnaires. And secondary information were obtained from the organization's Strategic plan, Annual Reports, magazines, internet and book written by different authors.

1.8.4. Method of Data Collection

In this study the type of data gathering instrument used were questionnaire. Primary data from employees, supervisors and managers were obtained by administrating close ended questionnaire.

1.8.5. Data Analysis Method

The collected data through the questionnaire were analyzed using descriptive statistics, like using table, severity index computation, and percentages.

1.9. Organization of the Study

Chapter 2 summarizes the literature survey on significance of human resource planning and examine the main steps in human resource planning Process.

Chapter 3 discuss the results of the analyses on the current human resource planning practice of Yencomad construction plc and develop the inference of ratings and rankings of the influencing factors on human resource planning effectiveness.

Chapter 4 summarized the findings of the study, draws conclusion for the study propose a recommendation.

CHAPTER TWO

LITERATURE REVIEW

2.1. Introduction

In an early treatment of the topic, Vetter (1967) defined human resource planning as the process by which management determines how the organization should move from its current manpower position to its desired position. Through planning, management strives to have the right number and the right kinds of people, at the right places, at the right time, doing things which result in both the organization and the individual receiving maximum long-run benefits. (p. 15)

Contemporary human resource planning occurs within the broad context of organizational and strategic business planning. It involves forecasting the organization's future human resource needs and planning for how those needs will be met. It includes establishing objectives and then developing and implementing programs (staffing, appraising, compensating, and training) to ensure that people are available with the appropriate characteristics and skills when and where the organization needs them. It may also involve developing and implementing programs to improve employee performance or to increase employee satisfaction and involvement in order to boost organizational productivity, quality, or innovation (Mills, 1985b). Finally, human resource planning includes gathering data that can be used to evaluate the effectiveness of ongoing programs and inform planners when revisions in their forecasts and programs are needed.

Because a major objective of planning is facilitating an organization's effectiveness, it must be integrated with the organization's short-term and longer term business objectives and plans. Increasingly this is being done in leading organizations, although in the past business needs usually defined personnel needs and human resource planning, which meant that planning became a reactive process. The reactive nature of the process went hand-in-hand with a short-term orientation. Now, major changes in business, economic, and social environments are creating uncertainties that are

forcing organizations to integrate business planning with human resource planning and to adopt a longer term perspective.

An integrated linkage between business and human resource plans can be described as one by which human resource and line managers work jointly to develop business plans and determine human resource needs, analyze the work force profile in terms of future business strategies, review emerging human resource issues, and develop programs to address the issues and support the business plans. Such joint efforts occur when human resource planners convince corporate business planners that human resources represent a major competitive advantage that can increase profits when managed carefully.

2.2. Significance of Human Resource Planning

A human resource plan helps avoid sudden disruptions in an organization's production run, since it indicates shortage of particular types of personnel, if any, in advance; thus enabling the management(s) to adopt suitable strategies to cope with the situation. An organization that cannot identify and recruit the skilled workforce that it will need in the next 3-5 years will be in a difficult situation as far as its business is concerned.

A manager needs to plan his human resource requirements- in terms of numbers, skills and occupation groups- to meet increasing demands, either due to business growth or expansion. Besides, even if none of the above happened, within an ongoing enterprise there would be attrition due to wastage, turnover, separations and mobility, leaving gaps which have to be filled in.

At corporate level, human resource plan could give an overall picture, while identifying surplus or shortage of personnel. Surplus could be redeployed, and shortages provided for. If there is underutilization due to over manning, there will be unnecessarily high labor cost and low profit margins.

Based on survey made on different companies, Kirshnaswamy (1985) identifies the following four objectives of human resource planning:

1. Searching for and recruiting highly skilled and specially qualified employees.
2. Getting the best employee and assigning him/her to the right work, so that efficiency and production can be maximized.
3. Anticipating the changed requirements of personnel and be prepared for it organizationally.
4. A forward looking activity plan that will help the management in identifying organizational needs, in developing people and in providing them growth opportunities.

One of the fundamental objectives of human resource plan, for manager, is its utility as planning and control technique. A human resource plan, because it is systematically done, enable a manager to predict his human resource requirements and control the number of people deployed; as result of which, with more precise matching of work force needs to firm's business plans, wage and salary costs can be controlled.

The purpose of having human resource plan, either in short run or in long run, is to have an accurate estimate of the number of employees required with matching skill requirements, to accomplish the organization's goals.

2.3. Factors Underlying Increased Interest in Human Resource Planning

Undoubtedly, there are many factors that account for the increased attention directed to human resource planning, but environmental forces -globalization, new technologies, economic conditions, and a changing work force- seem particularly potent (Dumaine, 1989). These create complexity and uncertainty for organizations. Uncertainty can interfere with efficient operations, so organizations typically attempt to reduce its impact; formal planning is one common tactic used by organizations to buffer themselves from environmental uncertainty.

Changes in the work force are just one aspect of the environment stimulating the need for human resource planning. The demographic changes are somewhat predictable, but when they are considered in combination with changing technology and many of the other external changes they pose significant challenges for human resource planning and contribute to its changing status during the past two decades.

2.4. A Model for Describing Human Resource Planning

Human resource planning has four phases: (a) gathering and analyzing data to forecast expected human resource demand, given business plans for the future, and to forecast future human resource supply; (b) establishing human resource objectives; (c) designing and implementing programs that will enable the organization to achieve its human resource objectives; and (d) monitoring and evaluating these programs (Burack, 1988). Activities related to the four phases of human resource planning are described for three different time horizons: short term (up to one year), intermediate term (two to three years), and long term (more than three years). These correspond to the typical time horizons for business planning. Using the same conventions that line managers use to distinguish between activities with differing time horizons is one step human resource planners can take to facilitate integration of their efforts with the needs of the business (Migliore, 1986).

Although the four phases of human resource planning are conceptually the same regardless of the time horizon, there are practical differences in the operationalization of the four phases as the time horizon is extended. Therefore, here is described the activities related to planning for each time horizon separately and in turn, beginning with short-term planning. It is preferred to begin with the shorter term planning horizon because historically the activities of many have been carried out for the purpose of achieving shorter term objectives. As organizations began to recognize the potential benefits of engaging in longer term planning, however, consideration of longer term issues became more common. As a result, as is described near the end of this section, many are now engaged in activities designed to prepare organizations for the 21st century.

In separating the discussion of the phases of human resource planning activities according to three time horizons, it does not mean to suggest that organizations segregate their planning activities in this fashion. The reality is that organizations must integrate their activities across the four planning phases as well across all three time horizons. Planning activities within a time horizon are linked together into a dynamic system. Early phases (e.g., demand and supply forecasts) serve as inputs to later phases (e.g., setting objectives). Equally important, organizations can learn from the results generated during the evaluation phase and then apply what is learned to make adjustments in objectives and programs.

For example, long-term planning almost always prompts the development of programs that need to be implemented in the short term and intermediate term. In addition, the evaluation results obtained for shorter term programs often lead to reevaluation of longer term projections about the availability of human resources, which in turn may prompt adjustments in programs designed to meet longer term needs. The idea is to have full integration among all types of human resource planning activities as well as integration between human resource and business planning (Walker, 1988).

2.4.1. Short-Term Human Resource Planning

Many organizations work on activities related to designing and implementing programs (e.g., recruitment, selection systems, and training programs) to meet short-term organizational needs. Such activities generally involve an element of planning in that they are future-oriented to some extent. Even projects for which objectives are expected to be achieved in as little time as a few months have, ideally, been designed with an understanding of how the short-term objectives are linked to the achievement of longer term objectives. For example, a construction company engaged in a recruitment campaign to hire 50 engineers should have a clear understanding of how this hiring goal will help the company achieve long-term goals such as becoming the world's most innovative company in that industry. This hypothetical company also might have a college recruiting drive designed to find 25 college graduates to enter a training program in recognition of the fact that a growing company needs to prepare

for the middle managers it will need 5 to 7 years hence, as well as the top level managers it will need in 10 to 15 years. As this hypothetical example highlights, in order for a clear linkage to exist between human resource planning and strategic business planning, it is essential that an organization's top executives have a fully articulated vision for the future, which has been communicated and accepted by managers throughout the organization.

2.4.1.1. Forecasting Demand and Supply

In a short-term time horizon, demand and supply of human resources can be predicted with some certainty. Human resource objectives follow logically from consideration of any discrepancies between demand and supply. Demand refers to the number and characteristics (e.g., skills, abilities, pay levels, or experience) of people needed for particular jobs at a given point in time and at a particular place. Supply refers to both the number and characteristics of people available for those particular jobs. Salient questions are "What jobs need to be filled (or vacated) during the next 12 months?" and "How and where will we get people to fill (or vacate) those jobs?"

What jobs need to be filled and vacated? Answering the demand question involves predicting who will leave jobs and creates vacancies, which jobs will be eliminated, and which new jobs will be created. One method for predicting both vacancies and job growth is to project historical trends into the future. This is particularly relevant for organizations affected by regular, cyclical fluctuations in demand for their products or services. Behavioral theories of the causes of turnover combined with employee surveys designed to assess attitudinal predictors of turnover (e.g., job satisfaction) also help human resource planners predict how many currently filled positions are likely to become vacant. Such information can produce useful predictions when the organizational unit of interest is large, although making predictions about precisely which positions are likely to become vacant is less precise. Predictions about how many and what types of jobs will be eliminated or created in the short term generally follow directly from business plans submitted by line managers.

How and where will we get people to fill and vacate jobs? The first step in answering this question-the supply question-involves determining the desired characteristics of employees who fill (or vacate) the jobs of interest. Then the availability of those characteristics in the organization's current work force and in the external labor market must be assessed. The particular characteristics of current and potential employees that are inventoried and tracked by human resource planners are influenced by the nature of the organization and the environment in which it operates. For example, for human resource planners in growing organizations, simply finding people with the needed skills and abilities is likely to be a top priority. For planners in mature and declining organizations, the costs (e.g., salary level) associated with employees become more salient, especially if work-force reductions are needed. Thus it is important for the human resource planner to know the business needs and characteristics of the organization. This knowledge is gained by human resource planners meeting with line managers to discuss their business plans as well as their human resource needs. The process of discussion increases the accuracy of supply and demand forecasts and facilitates the establishment of human resource objectives.

2.4.1.2. Establishing Objectives

With a short-time horizon, objectives are often easy to state in quantifiable terms. Examples of short-term human resource objectives include increasing the number of people who are attracted to the organization and apply for jobs (increase the applicant pool); attracting a different mix of applicants (with different skills, in different locations, etc.); improving the qualifications of new hires; increasing the length of time that desirable employees stay with the organization; decreasing the length of time that undesirable employees stay with the organization; and helping current and newly hired employees quickly develop the skills needed by the organization. Such objectives can generally be achieved in a straightforward way by applying state-of-the-art human resource management techniques and working with line managers to ensure agreement with and understanding of the program objectives.

2.4.1.3. Design and Implementation of Short-Term Programs

The technical skills of human resource planners are often applied to short-term program design and implementation. For example, recruiting programs are used to influence the size and quality of the applicant pool. Selection programs are developed for making hiring decisions. Performance appraisal systems identify performance deficiencies to be corrected and competencies to be rewarded. Training programs emphasize developing skills for use in the near future. Compensation systems are designed to attract new employees, to motivate people to perform well, and to retain employees. Even when these activities are designed to achieve short-term objectives and are expected to have relatively immediate pay-offs, they can serve to help an organization achieve its long term goals.

2.4.1.4. Evaluating Short-Term Human Resource Programs

As is true for any type of program evaluation, this phase involves assessing how well objectives were achieved. Because short-term planning objectives are generally stated in terms that are relatively easy to quantify (e.g., numbers of applicants, numbers of hires, and performance levels of employees), systematic evaluation of human resource programs to meet short-term organizational needs is quite feasible, and some types of program evaluations are actually common in large organizations.

Until very recently, when programs for selection, training, and motivation were evaluated, the effectiveness criteria were almost exclusively behavioral' (e.g., performance and turnover) or attitudinal (e.g., job satisfaction and commitment). Such criteria need no defense to be accepted, but line management support for human resource programs can be difficult to achieve if the expected results of such programs are not translated into the language of business, that is, dollars. With continuing advancements in utility analysis techniques and human resource cost assessment techniques, it is becoming more feasible to build convincing economic arguments in support of human resource programs. Thus, rather than having to spend energy arguing for resources to conduct short-term programs, it is preferable to freed

to deal more extensively with intermediate-term and longer term human resource planning issues.

2.4.2. Intermediate-Term Human Resource Planning

Planning is used by organizations to buffer production or service delivery processes from sources of uncertainty. Human resource programs for the recruitment, selection, training, and motivation of employees help reduce uncertainty by ensuring that a sufficient number of people with the required characteristics and skills are available at all levels in the organizations.

When the planning horizon is short, there is little uncertainty about which skills and how many people will be needed, and it is relatively easy to predict supply. However, rapid and ongoing changes in today's business environment mean that the future cannot be easily anticipated by simply projecting past trends. As the focus of planning moves from short term to intermediate term, the question "What- will we need?" is less easily answered and so becomes more dominant. For intermediate-term planning, there is also more uncertainty related to the question, "What will be available?" Consequently, human resource planning for the more distant future quickly raises the question, "How can we determine what will be needed and what will be available?" In other words, more technical attention must be given to the problem of forecasting. As in short-term human resource planning, the twin problems, of forecasting demand and forecasting supply both must be addressed before objectives can be established and programs developed. With increased uncertainty, interaction between the human resource planner and line managers is even more critical for making accurate demand and supply forecasts.

2.4.2.1. Forecasting Intermediate-Term Demand

In order to forecast the numbers and qualities of people who will be needed to perform the jobs that will exist in the organization's intermediate-term future (in two

to three years), strategic planners attempt to predict organizational outputs, such as expected production, volume, and sales levels. The outputs that an organization intends to produce or deliver, in combination with the technology that the organization intends to use to generate the outputs, dictate the human resource needs of the organization. Predicting outputs requires considering factors such as future demands from the marketplace for the products and services that the organization provides, the percentage of the market that the organization is likely to be able to serve, the availability and nature of new technologies that may affect the amounts and types of products or services that can be offered, and the different countries in which the organization expects to operate (Dumaine, 1989).

The task of formulating plans that specify the intended future outputs (in terms of quantity, type, and location) of the organization is usually the responsibility of middle-level line managers. Human resource planners must then translate these objectives for outputs into predictions about the amount and the nature of jobs that employees will need to perform in order to produce the desired outputs. Predicting future human resource demands requires (a) having an accurate model of the factors that will influence demand and (b) being able to predict the state of all the major variables in that model. Organizations operating in fairly stable environments may be able to construct models that include most of the major factors likely to determine demand for up to three years into the future. It is even possible for some organizations to quantify the expected values of variables in their models, which means they can use statistical forecasting techniques such as regression analysis, time-series analysis, and stochastic modeling to forecast human demand. For firms operating in unstable environments, however, even three-year predictions are likely to be highly uncertain because both the variables and their expected values are difficult to specify accurately by relying on historical data.

Given the complexity of statistical forecasting, it is understandable that judgmental techniques are more commonly used than statistical techniques (Milkovich et al, 1983). A simple type of judgmental forecasting is managerial estimation. Estimates of staffing needs are made by middle- and lower-level line managers who pass them up to top managers for further revisions to form an overall demand forecast (Walker,

1980). Increasingly, human resource planners are involved in these stages of estimation and revision to ensure an integrated approach to planning.

A more sophisticated method of judgmental forecasting is the Delphi technique, which is a decision-making method designed to maximize the benefits and minimize the dysfunctional aspects of group decision making. In a Delphi "meeting" (which need not be face-to-face), several experts take turns presenting their forecasts and assumptions. An intermediary passes each expert's forecast and assumptions to the others, who then make revisions in their own forecasts. This process continues until a viable composite forecast emerges. The composite may represent specific projections or a range of projections, depending on the experts' positions. The Delphi technique appears to be particularly useful for generating solutions to unstructured and complex questions, such as those that arise during human resource planning. It does have limitations, however. For example, when experts disagree, integrating their opinions to yield a final solution that all participants accept can be difficult. Nonetheless, the human resource planner must integrate diverse predictions in order to establish human resource objectives and design programs to achieve those objectives, and line managers must accept the predictions as reasonable if they are to provide their support during the implementation phases of human resource programs.

Both managerial estimates and the Delphi technique typically focus on forecasting the number of employees that is likely to be needed. Less attention is usually paid to the issue of the qualities (e.g., skills and abilities) that future employees will need, primarily because techniques have not been widely available for predicting these. When psychologists engage in short-term planning, job analysis is used to determine the qualities that employees need in order to perform currently existing jobs. Rapid technological changes mean jobs in the future are sure to differ from jobs in the present, however. As an indication of the fact that organizations are now more often dealing with problems of intermediate-term planning, research efforts are underway to develop procedures for conducting future-oriented ("strategic") job analyses (Arvey et al. 1989) and for identifying the managerial competencies that are necessary for effective performance in the future (DeLuca, 1988). Because job analysis results are the foundation on which most human resource programs are built, the development of

sound future-oriented job analysis methodologies is a challenge that human resource planners must meet before they can realize their potential as contributors to the long-term effectiveness of organizations.

2.4.2.2. Forecasting Intermediate-Term Supply

Supply forecasts can be derived from both internal and external sources of information, but internal sources are generally most crucial and most available (Miller, 1980). As with forecasting demand, two basic techniques help forecast internal labor supply - judgmental and statistical. One judgmental technique used to forecast supply is replacement planning. Replacement charts show the names of current position occupants and the names of likely replacements, providing a rough estimate of the "bench strength" of the organization. On the replacement chart the incumbents are listed directly under the job title. Those individuals likely to fill the potential vacancies are listed directly under the incumbent. Such lists can provide an organization with reasonable estimates of which positions are likely to become vacant, and they can indicate whether someone will be ready to fill the vacancy (Walker & Armes, 1979). Present performance levels, ages, and information about the loyalty of current employees can be used to predict future vacancies caused by raids of top talent, involuntary turnover, retirement, and employee-initiated job changes. Consistent with the spirit of integration, increasingly line managers and human resource planners jointly establish replacement charts for middle- and upper-level positions.

Less common techniques to forecast supply are statistical techniques, which include simple inventory models, Markov analysis, simulation (based on Markov analysis), renewal analysis, and goal programming (Niehaus, 1988). Use of statistical methods for forecasting human resource supply involves two steps, regardless of the particular model used. The first step is generating an inventory of current supply (the number of people and their skills and abilities). The second step involves predicting how the supply is likely to change over time. Ideally, both steps consider both internal and

external supply sources, although in practice it is often more difficult to estimate labor supplies external to the organization.

Sophisticated techniques are available for directly assessing employees' skills and abilities (Arvey & Faley, 1988), or the supply of skills and abilities available in the organization's work force can be inferred from job analyses of the jobs that current employees are performing (Arvey et al., 1989). By assessing the extent to which the current workforce possesses skills and abilities that can be transferred to aid their performance in jobs predicted to exist in the future, human resource planners can help organizations assess how much of a discrepancy exists between their current skills profile and the profile required to meet their strategic plan. Computer technology has increased the feasibility of keeping information provided from such inventories up-to-date (Murdick & Schuster, 1983).

For statistical forecasting, current supply information serves as a starting point. Figures describing the current work force, both within the organization and externally, are then transformed through statistical models to predictions of future supply levels. Such models require the human resource planner to provide information about how employees are likely to flow through the organization. Annual hiring levels, turnover rates, promotions, and within-firm transfers typically are considered. The result is a quantitative prediction of what the future work force would probably be like absent the implementation of programs designed to change the projected supply.

The accuracy of statistical techniques for forecasting future supply levels depends entirely on the accuracy of the user-supplied figures about how employees are likely to flow through the organization and the accuracy of the statistical model used to transform current supplies into predicted future supplies. Accurate estimates and accurate models of employee flows are most likely to be available in organizations that have extensive record keeping procedures because these can be used to identify the typical movement patterns of employees in the past.

2.4.2.3. Establishing Intermediate-Term Objectives

After projecting future human resource supplies and demands, intermediate-term objectives are set and action plans are developed to meet the objectives, through the joint efforts of the human resource planner and relevant managers throughout the organization. Differences in the types of objectives established for the short and intermediate term reflect differences in the types of changes that are feasible with two or three additional years of time. Thus, whereas short-term objectives include attracting, accessing, and assigning employees to jobs, intermediate-term objectives are more likely to include readjusting employees skills, attitudes, and behaviors to fit major changes in the needs of the business, as well as adjusting human resource practices to fit changes in the needs of employees.

2.4.2.4. Intermediate-Term Programs to Help Employees Adjust to Changing Organizations

Training and retraining programs are often the method of choice for achieving intermediate-term objectives. The nature of training used to prepare for needs that will exist in two to three years can vary greatly. Programs include those designed to provide basic skills training to new hires, advanced education for existing employees, language training, internships and work-study programs, and public school partnerships. The forces prompting organizations to develop such programs are many; they include changes in technology, a shift from a manufacturing-based to a service-based economy, and the failure of some public school systems to produce high school graduates who are competent to join the work force.

Changing technology creates the need for training. Manufacturers are experiencing a revolution in technology. A century ago, the concept of assembly-line production created an industrial revolution; today computers are contributing to an electronic revolution. Blue-collar employees who previously were expected to perform routinized tasks hundreds of times a day are now being expected to operate the sophisticated robots that perform the routine work. In addition, they are expected to use computers

to monitor and evaluate, using statistical analyses, the flow of work through the plant. Learning skills such as these often means employees first must be trained in basic math and computer use. In addition, they may be taught, in effect, the logic of experimental design as a means for diagnosing the causes of problems that arise. For example, a small manufacturing company may teach its employees how to determine whether a quality problem was being caused by a particular operator or by a particular machine. Such determinations were possible because extensive data will be stored for each item produced. The data may include information about which particular machines will be used in each step of the process, who will operate the machines, and whether the final product may meet various quality standards. Thus, by applying the principles of analysis of variance, the cause of quality problems could be detected and corrected.

Service-related jobs require new management styles. Change in manufacturing technologies is a major stimulus for intensifying training at work, but it is not the only important stimulus. Another fundamental shift is the changing balance between goods-producing and service-related activities. Even within organizations that are primarily goods-producing, the value of a service orientation is now being recognized. With more attention being directed toward service provision, the natural question that arises is whether different management practices are needed to manage service providers.

The delivery of services differs from the production of goods in three ways: products are intangible rather than tangible, customers are actively involved in the production of services, and the consumption of services occurs simultaneously with their production. The simultaneity of the production and consumption processes means that quality control cannot be achieved by the inspect-and-correct (or reject) method of performance monitoring traditionally used in manufacturing plants. Instead, quality control must occur at the point of service delivery. The service provider is responsible for ensuring the quality of service during each and every interaction with a client. To maintain control over quality, service organizations need to control the process of service production rather than to monitor the quality of outputs. In other words, service providers must monitor and supervise their own behaviors.

Because employees who deliver services must engage in self-supervision, high levels of employee commitment and involvement are needed. Creating conditions supportive of such employee attitudes is complex; it requires careful planning and, in many cases, a willingness to change basic assumptions about how much power and information lower level employees should be given.

Gaining cooperation with organizational changes such as those just noted is particularly challenging because managers long-held beliefs about how to maximize employee performance are often brought into question. Creating attitudinal and behavioral change is difficult undermost conditions, but it is particularly difficult when there is uncertainty about the pay-offs. Thus a significant task is convincing those top-level executives whose resources and support are needed that proposed human resource programs will be effective. This involves translating the scientific evidence into a form that is both understandable and convincing.

Economic conditions force downsizing. Another major stimulus for intermediate-term human resource programs is organizational restructuring, including mergers and acquisitions and the work force reductions that often follow. From their experiences with massive lay-offs in the past few years, organizations have become increasingly sensitive to the importance of planning programs for dealing with the effects of lay-offs. Many organizations are trying to minimize the negative effects of lay-offs through redundancy planning, outplacement counseling, buy-outs, job skill retraining, creation of transfer opportunities, and promotion of early retirements.

2.4.2.5. Evaluating Intermediate-Term Programs

Intermediate-term programs are often larger in scope; the appropriate unit of analysis for evaluation is often the productivity level of an entire department or business unit. Although organizations have sophisticated measurement methods for assessing the performance levels of individuals, their measurement techniques do not translate easily into measures of productivity. Only recently have organization begun to apply aggressively their measurement skills to developing measures appropriate for larger

aggregates of employees within the organizations. Progress on this task should be particularly valuable for intermediate-term and long-term human resource planning.

2.4.3. Long-Term Human Resource Planning

Increasingly, long-term human resource planning (for beyond three years) is becoming critical to the effective functioning of organizations. The rapidly changing and highly competitive worldwide marketplace is causing firms to turn to their human resources for survival and competitiveness. Because there is a greater understanding that an organization's work force cannot be turned around on a dime, long-term human resource planning is gaining currency. It is an activity that demands integration of the skills and knowledge of the human resource planner and all the other executives responsible for strategic planning. Although there are many types of long-term planning efforts, succession planning can be mentioned as a primary example of the process.

2.4.3.1. Forecasting Demand and Supply: The Challenge of Succession Planning

More than ever, a major long-term business concern in organizations is "What types of managers do we need running the business into the 21st century, and how do we make sure we have them?" Organizations were planning within a model of minimal change in organization structure (internal environment) and a perceived static external environment. Position requirements could easily be extrapolated from the job descriptions of current incumbents-factoring into these requirements those skills and abilities that the current incumbent lacked. Since position requirements were relatively stable and career paths reasonably well-defined, an effective performance appraisal system coupled with opportunities for key executives to observe candidates adequately served the selection process for many companies.

Succession planning programs are complex systems designed to safeguard the long-term health of the organization. The key activities in succession planning are

identifying high-potential employees, identifying needed competencies, and providing learning experiences to develop these competencies (DeLuca, 1988). Well-developed programs include a variety of components: selection procedures, development plans, mentorships, frequent and systematic performance reviews, and career planning activities that involve employees in planning and monitoring their own development (Leibowitz, 1988). Such programs are examples of what can be done with respect to long-term human resource planning, given the state of our knowledge about human performance in organizational settings, a belief in the value of investing in human resources, and cooperation between the human resource planner and line management.

Staffing the upper echelons of organizations presents a number of unique challenges, particularly when a company practices a promotion-from-within policy. Because the planning horizon is so long, greater uncertainty exists when predicting both future demand and future supply. The uncertainty in predicting supply is compounded by the small numbers of people and jobs involved, which changes the prediction task from one of estimating the percentage of a pool of employees who are likely to be with the company x years into the future to one of estimating the probability that a few particular individuals will still be with the company x years into the future. Providing developmental experiences to a greater number of employees helps reduce the uncertainty of forecasted supply (Leibowitz, 1988), but orchestrating developmental experiences for large numbers of employees can be very difficult logistically because development is best accomplished by rotating employees through many key jobs throughout their careers. Predicting who will be available and with what capabilities is only half of the problem, of course. Equally challenging is predicting the needs of the organization (DeLuca, 1988).

Organizations are dynamic systems embedded in dynamic environments. When planning for future needs, the only sure bet is that future needs will be different from current needs. Popular wisdom has long held that different types of leaders are effective under different business conditions (Campbell & Moses, 1986). For example, the personal characteristics of managers that lead to success during the startup and early growth phases of an organization's life cycle may inhibit their performance when

the organization reaches the phase of maturity and stability. For companies currently in the early growth stages, this makes succession planning particularly difficult. Because the needs of the future are inconsistent with current needs, the challenge is to find ways to maximize the effectiveness of managers in the current organizational environment of rapid growth while at the same time providing experiences for these managers to help them develop the skills they will need in the mature-stage organizational environment of the future.

Another type of major change that an organization may experience during a several-year planning horizon is a modification of their competitive strategy. Like a change from rapid growth to mature stability, a change in competitive strategies may have significant implications for the types of managers needed. Competitive strategy refers to the means by which a firm competes for business in the marketplace (Porter, 1985). Competitive strategies can differ along a number of dimensions, including the extent to which firms emphasize innovation, quality-enhancement, or cost reduction (Schuler & Jackson, 1987). Briefly, the innovation strategy is used to develop products or services different from those of competitors; the primary focus is on continually offering something new and different. Enhancing product or service quality is the primary focus of the quality-enhancement strategy. In the cost-reduction strategy, firms typically attempt to gain competitive advantage by being the lowest-cost goods producer or service provider. (Although these three competitive strategies are described as pure types, in practice some overlap often occurs.)

It is likely that successful pursuit of these three different strategies requires employees to adopt different patterns of behavior. For example, organizations that pursue innovation as a strategy are likely to experience uncertainty because the path to innovation includes a mix of spurts in progress and unforeseen setbacks (Quinn, 1979). In addition, the innovation process depends heavily on individual expertise and creativity. Steep learning curves and the rapid speed at which knowledge is accumulated through experience make it difficult for organizations to codify procedures. This means that employee turnover can have disastrous consequences. Furthermore, innovation often threatens the status quo, causing some natural resistance and a volatile political climate.

These organizational conditions suggest that the pursuit of innovation is likely to be successful only if employees behave in particular ways. A large literature on innovation suggests that some of the behaviors needed from employees in firms pursuing innovation include creativeness, cooperation, risk-taking, flexibility, a long-term focus, and willingness to assume responsibility for outcomes. Many of these behaviors are quite unlike those needed when cost reduction is emphasized in an organization. When cost reduction is the focus, predictability is valued over creativity, risk-taking is less appropriate, and a short-term focus usually predominates (Schuler & Jackson, 1987).

The differences in needed employee behaviors associated with different strategies have significant implications for human resource planning. For example, one study compares firms pursuing an innovation strategy with firms for whom innovation was of little importance. Firms pursuing an innovation strategy were more likely than other firms to emphasize long-term needs in their training programs for managers and to offer training to more employees throughout the organization. Supporting the notion that innovative organizations need to encourage flexibility and creativity, managers in innovative companies had jobs that required the use of more diverse skills (Jackson et al. 1989). Some studies suggest that when organizations change competitive strategies in response to a changing business environment, they may need to significantly alter broad patterns of employee attitudes and behaviors in order to be successful in implementing a new competitive strategy.

To do so, they may implement major changes in various aspects of their personnel systems. The decision to change strategies requires a long-term perspective, and its success depends in part on changing the work environment in order to support needed changes in employee behaviors, which also requires a long-term perspective. Clearly, when organizations attempt to change their competitive strategies, business and human resource planning should be fully integrated.

2.4.3.2. Program Design and Implementation

In the early 1960s, very few organizations started realizing they would need managers with unique abilities to guide the organization through a period of rapid expansion and growth. Based on careful evaluation of the available talent and anticipated future business conditions, these organizations concluded that it should begin developing a talent pool that would include people who had greater mental ability, who were psychologically compatible with the company's need for innovation and change, who were skilled administrators and effective decision makers, and who were emotionally stable yet aggressive. To ensure that such people would be available and could be identified, organizations developed a battery of psychological tests for use in their selection process, a process aided by the joint efforts of line management and human resource planners. Such tests are now a general component of the long-range planning efforts of many organizations because they help identify high-potential employees early in their careers.

For many organizations, succession planning and career development are tools for integrating diverse subgroups within a corporation.

2.4.3.3. Evaluating Long-Term Programs

Most of the knowledge about how to develop and improve long-term human resource programs has been generated through trial-and-error rather than through systematic research. Nevertheless, much knowledge about individual behavior and development has been gained by analysis of the massive amounts of data generated by large-scale, ongoing management planning systems.

Understandably, what rigorous researchers engaged in the evaluation of succession planning programs have emphasized is the ability to predict individual outcomes, such as career progress and satisfaction. It is also now appropriate to evaluate long-term programs using corporate outcomes such as share price, market share, receipt of industry awards, and so on. In the spirit of integrating business needs and human resource planning, such corporate indicators are legitimate criteria for evaluating

success, in addition to individual outcomes. Doubtless there are many difficulties that complex, multifaceted interventions and long-term time horizons pose in drawing conclusions about cause-and-effect relationships; nonetheless, there are great opportunities for human resource planners and line managers who coordinate their efforts to assess the long-term effectiveness of human resource programs in corporate and individual terms.

2.5. Challenges in HRP

A very real need to see results makes planning seem wasteful of time, diverting efforts from doing. Impatience with planning is always a challenge. The other challenge is unrealistic expectation which is looking for jobs as an immediate outcome.

Careful assessment of HR may turn up more HR development needs than the projected or existing resource and funding can handle and this may require excruciating choices. Also like all other plans, HRP must struggle between the need to be systematic and well thought out over several years and the need to be flexible to meet changing circumstances.

CHAPTER THREE

DATA ANALYSIS AND INTERPRETATION

The analysis of a data is the most skilled task in the research process it calls for the researchers own judgment and skill. Analysis means a critical examination of the assembled and grouped data. Studying the characteristics of the object under the study and for determining the patterns of relationships among the variables relating it.

This part of the study analysis and interprets data obtained from Yencomad Construction PLC on the basis of data gathered through questionnaires the samples taken include both the Management and employee of the head office. The questionnaire was distributed to the sample employees and managers that was selected randomly using stratified random sampling method. 36 questionnaires were distributed to the sample respondents and 26 of them were completed and returned to the researcher. This implies that majority of the respondents have replied to the distributed questionnaires attentively. And it is the assumptions of the researcher that it is quite possible to draw conclusion from the data obtained and meet the purpose of the study.

3.1. Characteristics of the Respondents

The following table presents and analysis of the characteristics of the respondents included in the study.

Table 3.1 Characteristics of the Respondents

Item	Variables	Alternative	Frequency of responses	
			No	%
Characteristics of respondents	Sex	Male	17	65
		Female	9	35
		Total	26	100

Item	Variables	Alternative	Frequency of responses		
			No	%	
	Age	18-30	10	39	
		31-45	11	42	
		Above 45	5	19	
		Total	26	100	
	Education Back Ground	Diploma & certificate	7	27	
		1 st Degree	16	62	
		2 nd Degree	3	11	
		Total	26	100	
	Year of Service	<1 Year	1	4	
		1 to 3 Year	7	27	
		>3 Years	18	69	
		Total	26	100	

According to item 1 of table 3.1 out of the total respondents 17(65%) of them are males. While the rest 9(35%) of them are females. This clearly indicated that in Yencomad construction the Number of females is lower than the number of males.

Item 2 of Table 3.1 presents the age group of the respondents, out of the 26 respondents about 11(42%) belong to the age group of 31-45 , 10(39%) fall in the age group of 18-30, the reaming 5(19%) above 45. The data indicated that majority of employees are in the productive age group of 31-45 which is productive age. Since the mobility rate of such age group is high the organization may need to maintain good human resource planner to minimize the gap.

According to item 3 of table 3.1 above 3(11%) and 16(62%) of the respondents are MSC and BSC degree holders respectively the rest 7(27%) are diploma & certificate holders. Thus from the above table one can easily understand 62% of the employees are Bachelor degree holders, this may contribute to the organization in applying the resources and easily understand new technology.

The last item of table 3.1 is the work experience of the respondents thus, 15(69%) of the respondents are categorized in above 3 years, 7(27%) of them belongs to 1-3 years and the rest 1(4%) of the respondents fall in the work experience <1 years.

Thus, it can easily concluded from the data that the majority of the employees are having rich experience of the company.

3.2. Analysis of Findings of the Study

This portion contains the discussion and analysis of the main findings of the study the analysis and interpretations are basically made of questionnaires and interpretations are basically made of questionnaires distributed to due employees of Yencomad Constriction Company. And the interview conducted the management members.

3.2.1. Response from Respondent for Questionnaire

Table 3.2. Attitude toward Human resource planning and company's attitude to Human Resource Planning.

No	Item	Alternative	Respondents	
			Number	Percentage
1	In your opinion, HRP contributes much to the success of the organized	Strongly Agree	18	69
		Agree	4	15
		Neutral	3	12
		Disagree	0	0
		Strongly Disagree	1	4
		Total	26	100
2	In Your opinion, importance of Human Resource Planning is properly understood and implemented in various department of the organization	Strongly Agree	2	8
		Agree	5	19
		Neutral	4	15
		Disagree	13	50
		Strongly Disagree	2	8
		Total	26	100
3	In Your opinion the company gives adequate attention to Human Resource Planning	Strongly Agree	2	8
		Agree	6	23
		Neutral	5	19
		Disagree	12	46
		Strongly Disagree	1	4
		Total	26	100

According to Item 1 of table 3.2 show that 18(69%) of the respondents strongly agreed that Human resource planning contribute much to the success of the organization. The rest 4(15%) also agreed 3(12%) are neutral and 1(4%) strongly disagree.

According to Item 2 of table 3.2, 13(50%) of respondents Disagree that, Human Resource Planning is properly understood and implemented in various department of the organization. 5(19%) of the respondent Agree and 4(15%) of the respondents are Neutral.

According to Item 3 of table 3.2, 12(46%) of respondent Disagree that at a company level adequate attention was given to human resource planning 6(23%) of the respondents agree some extent and 5(19%) are neutral.

From the three results it can be concluded that adequate attention is not given to human resource planning.

Table 3.3 Company resistance to Human Resource planning

No	Item	Alternative	Respondents	
			Number	Percentage
1	In your opinion, your company resist practice of Human resource planning by thinking that it will create extra cost of man power as trade unions demand for employee based plans, more facilities and benefit including training and development	Strongly Agree	1	4
		Agree	6	23
		Neutral	16	61
		Disagree	2	8
		Strongly Disagree	1	4
		Total	26	100
2	In Your opinion, Company that Human resource planning is not necessary as candidates are will be available through out the year because of unemployment case	Strongly Agree	1	4
		Agree	12	46
		Neutral	7	27
		Disagree	5	19
		Strongly Disagree	1	4
		Total	26	100

Table 3.3. Item 1 show that 16(61%) of the respondents were Neutral about the fact that company resist human resource planning from the point of view of extra cost imposition on manpower. The rest 6(23%) and 2(8%) of the respondent responded the Company resistances to human resource planning is agree and Disagree respectively.

Table 3.3 Item 2 show that 12 (46%) of the respondent agreed that company Feel that Human resource planning is not necessary as candidates are available through out the year 7(27%) and 5(19%) of the respondent responded the company resist to human resource planning is neutral and disagreed respectively.

From the two results it can be concluded that the company resists human resource planning on the basis that it considers candidates are abundant.

Table 3.4 Employees resistance to Human resource planning

No	Item	Alternative	Respondents	
			Number	Percentage
1	In your opinion, Trade unions and employees resist HRP as they view that it increase the work load of employees	Strongly Agree	2	8
		Agree	5	19
		Neutral	11	42
		Disagree	7	27
		Strongly Disagree	1	4
		Total	26	100
2	In Your opinion, trade unions and employees resist human resource planning by considering that HRP aims at controlling the employee's through productivity maximization	Strongly Agree	2	8
		Agree	5	19
		Neutral	14	54
		Disagree	4	15
		Strongly Disagree	1	4
		Total	26	100

The result of the study of the above tables item 1 shows that 11(42%) of respondents Neutral about human resource planning that it increases the work load of employees. 7 (27%) and 5(19%) of the respondent responded that human resource planning increase the work load of employees by disagree and agree respectively.

The result of the study of the above table item 2 show that 14 (54%) of respondent Neutral about trade unions and employees resist to HRP by considering that HRP aims at controlling the employee's through productivity Maximization, 5(19%) and 4(15%) of the respondent responded that they Agree and Disagree respectively.

Generally, from the above table we can generalize that the company's human resource planning did not allow participation of the employees and may be that is why the majority chose to be neutral.

Table 3.5 Demand Forecast

No	Item	Alternative	Respondents	
			Number	Percentage
1	In your opinion, prediction of vacancies and job growth is done properly	Strongly Agree	2	8
		Agree	5	19
		Neutral	4	15
		Disagree	15	58
		Strongly Disagree	0	0
		Total	26	100
2	In Your opinion, the Company considered expected production, volume, and sales values in the process of determining its human resource needs.	Strongly Agree	1	4
		Agree	6	23
		Neutral	6	23
		Disagree	13	50
		Strongly Disagree	0	0
		Total	26	100

The data obtained in the above table item 1 indicate that 15 (58%) of the respondents respond that the organization vacancies and job growth prediction is not done properly. 5 (19%) and 4(15%) of the respondents answer their response agree and Neutral respectively. The Majority of respondents agree that HR demand forecast prediction of vacancies and job growth is not properly done.

The data obtained in the above table Item 2 indicate that 13(50%) of the respondents respond that the Company didn't properly consider expected production, volume and

sales level in the process of determining its human resource needs. 6(23%) and 6(23%) of the respondents answers there response Agree and Neutral respectively.

From the two results it can be inferred that the company did not properly conduct its human resource demand forecast which is a necessary step in human resource planning process.

Table 3.6 Supply forecast

No	Item	Alternative	Respondents	
			Number	Percentage
1	In your opinion, the desired characteristics (e.g. skills and/or abilities) of employees who will fill the job of interest are determined properly	Strongly Agree	2	8
		Agree	8	4
		Neutral	10	38
		Disagree	13	50
		Strongly Disagree	0	0
		Total	26	100
2	In your opinion, the desired characteristics (e.g. pay level and/or experience) of employees who will fill the job of interest are determined properly	Strongly Agree	1	4
		Agree	1	4
		Neutral	4	38
		Disagree	10	54
		Strongly Disagree	0	0
		Total	26	100

As it can be understood from table 3.6 item 1, (50%) of respondents disagree, 10(38%) neutral and 2(8%) strongly disagree for question that focus on the desired characteristic of employees who will the job of interest are determined properly.

As it can be understood from Table 3.6 Item 2 above, 14(54%) of respondents disagree, 10(38%) neutral and 1(4%) strongly agree.

From the two results it can be inferred that the company did not properly conduct its human resource supply forecast which is a necessary step in effective human resource planning process.

Table 3.7 Setting human resource objectives

No	Item	Alternative	Respondents	
			Number	Percentage
1	In your opinion, the company has established human resource objective such as helping current and newly hired employees quickly develop the skill needed by the organization	Strongly Agree	3	3
		Agree	2	8
		Neutral	6	23
		Disagree	14	54
		Strongly Disagree	1	1
		Total	26	100
2	In your opinion, the company has established Human resource objectives such as increasing the number of people who are attracted to the organization.	Strongly Agree	0	0
		Agree	4	15
		Neutral	7	27
		Disagree	15	58
		Strongly Disagree	0	0
		Total	26	100

It can be understood from table 3.7 item 1 above, 14(54%) of respondents disagree, 6(23%) neutral and 3(11%) strongly agree for question that the company has established human resource object such as helping current and newly hired employees quickly develop the skills needed by the organization.

It can be understood from Item 2 of table above out of the total sample respondents 15(58%) disagree, 7(27%) neutral and 4(15%) agree to the question hat focus on the company has establish human resource objective such as increasing the no. of people who are attracted to the organization.

From the results it can be inferred that the company did not establish human resource objective that can be owned by the employees which is a necessary step in effective human resource planning processing.

Table 3.8 Design and implement human resource programs

No	Item	Alternative	Respondents	
			Number	Percentage
1	In your opinion, the company has designed and implemented programs that will enable the organization to achieve its human resource objectives	Strongly Agree	3	12
		Agree	3	12
		Neutral	8	31
		Disagree	12	45
		Strongly Disagree	0	0
		Total	26	100
2	In your opinion, the company has established human resource objective such as increasing the no. of people who are attracted to the organization	Yes	6	23
		No	14	54
		No response	6	23
		Total	26	100

As indicate in table 3.8 item 1, 12(45%) of the respondent disagree that the company has designed and implemented HR program, 3(12%) strongly agree and 3(12%) agree.

As it can be understood from table 3.8 item 2, 14(54%) of respondents give no, 6(23%) yes and 6(23%) No response.

From the two results it can be inferred that the company did not properly design and implement human resource programs also did not properly monitor and evaluate those ones in place.

Again this necessary step of human resource planning process is not properly done.

3.2.2. Analysis of the Influencing Factors

For each of the factors influencing human resource planning respondents were asked to indicate the degree of impact in five point measurement scale run from very high, high, medium, low and very low. The collected data were properly recorded and the severity indices for the factors were statistically analysed. The severity index that measures the degree of influence of each variable is calculated using the Eq. 1 below.

This statistical approach has been used in related pervious researches, (Laufer and Cohenca, 1990, Elhag et.al., 2005).

$$SI = \left[\frac{\sum_{i=1}^5 w_i * f_i}{5 \sum_{i=1}^5 f_i} \right] * 100\% \quad \dots\dots\dots (1)$$

Where *i* represent the ratings from 1 to 5, *w_i* represent the weighting for each rating (5 for ‘very high’ down to 1 for ‘very low’), *f_i* represent frequency of responses.

The summary of the responses collected and analysis of rating of severity factors (SI %) is attached in Appendix B. Among the eight factors three factors maintained severity index between 70%-90% and the remaining five factors severity index range from 50%-70%. This shows that the respondents regarded the eight factors are influential on human resource planning of Yencomad. The factors were further ranked according to their severity index.

Table 3.9 Summary of response to Influencing factors

No.	Factor	Degree of impact				
		Very high	High	Moderate	Low	Very low
1	Technology advancement	9	8	8	1	0
2	Political stability	5	4	5	6	6
3	Social and economic change	4	5	4	11	2
4	Business strategy of the organization	3	10	8	5	0
5	Time horizon of the human HRP	3	6	7	7	3
6	Type and availability of information	7	9	6	2	2

7	Availability of human resource planner	11	9	4	2	0
8	Companies attitude towards HR	6	2	10	6	2

Table 3.10 Average SI % and the Corresponding Rank

ID no.	Factors	Average SI %	Rank
1	Technology advancement	79.23	2
2	Political stability	56.92	8
3	Social and economic change	58.46	7
4	Business strategy of the organization	68.46	4
5	Time horizon of the HRP planning	59.23	6
6	Type and availability of information	73.08	3
7	Availability of HR planner	82.31	1
8	Companies attitude toward HR	63.08	5

CHAPTER FOUR

SUMMARY, CONCLUSIONS AND RECOMMENDATIONS

This chapter tries to discuss and recapitulate the major finding from the study and also provides some possible suggestions and recommendations that in one way or another can be used as remedial action.

4.1. Summary

The data analysis and interpretation in the preceding chapters is summarized as below:-

- With regard to sex and age, the study shows that 65% of employees are male and 42% is under 31-40 years age group
- 73% of the respondents' level of education is above first degree. Similarly great numbers of employees, 69%, have 1-3 years of service experience in the company.
- 69% of the employees strongly agree that human resource planning contributes much to the success of the organization.
- 50% of employees disagree that the important of human resource planning understood and implemented in various department of the organization.
- 46% of the employees disagree that the company gives adequate attention to human resource planning.
- 61% of the employees neutral about that their company resists practice of human resource planning by thinking that it will create extra cost.
- 46% of employees are agreed that their company feels that human resource planning is not necessary as candidates are available throughout the year.

- 54% of employees neutral about trade union and employees resist human resource by considering that human resource planning aims at controlling the employees through productivity maximization and it increase the work load of employees.
- 58% of the employees disagree that prediction of vacancies and job growth is done properly.
- Regarding sales level, volume and expected products, 50% of the employees disagree that the company considered in the process of determining its' human resource planning need.
- 50% of the respondent also agree that in human resource supply forecast availability employee characters in the organization current work force and in the external labor market is not well assessed.
- 54% of the respondent also agree that company did not properly established human resource objective such as increasing the length of time that desirable employees stay in the organization.
- 45% of the respondent agree that the company did not properly design and implemented human resource programs and did not monitor and evaluate these programs.

4.2. Conclusions

Researches indicate the importance of human resource planning to manage business in uncertain and complex situations. Yet, lack of proper human resource planning practice is affecting the performance of organization in developing countries. The main aim of the study was to assess the human resource planning practice of Yencomad. The study also rate and rank the significant factors influencing human resource planning from the company's employee point of view.

The findings of the study are:

- The employees have positive attitude to human resource planning which the company should make benefit out of this opportunity.
- The company's attitude toward human resource planning is not positive. That is, adequate attention is not given to human resource planning by the company.
- The company's human resource planning has faced challenges like company's resistance to human resource planning since the company considers that employees are abundantly available.
- Demand forecasting, which is one of the important elements of human resource planning process, is not done properly by the company. It needs to be considered in human resource planning of the company.
- Supply forecasting, which is one of the important elements of human resource planning process, is not done properly by the company. It needs to be considered in human resource planning of the company.
- Human resource objective setting, which is also one of the important elements of human resource planning process, is not done properly by the company. It needs to be considered in human resource planning of the company.
- Design & implementation of human resource programs are not done properly by the company. Even the one in place did not properly monitored and evaluated. It needs to be considered in human resource planning of the company.
- The human resource planning strategy of the company is short term human resource planning .That is, the company's human resource planning is not incorporated in its strategic business planning.

4.3. Recommendations

Effective human resource planning is a result of combined effort of the performing organization and all the employees working in it. In order to improve the human resource planning effectiveness with intention of enhancing company's performance the following has to be adopted:

- Employee's positive attitude toward human resource planning is a great opportunity on which the company should capitalize.
- The company has to recognize importance of human resource planning and these calls for proactive leaders and human resource planners.
- The company's negative attitude on human resource planning is found as one of the challenge in human resource planning and these needs to be corrected.
- Human resource planning process necessitates accurate information and the company needs to properly execute all steps of human resource planning, such as proper human resource demand & supply forecast, proper human resource objective setting and proper design & implementation of human resource programs.
- The company should properly monitor and evaluate its human resource planning.
- Human resource planning is a key factor for company success and hence it needs to be incorporated in the company's strategic business planning.

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APPENDIX A

**St Mary's University Collage
Faculty of Business
Department of Management**

Questioners to be filled by Supervisors and Employees of Yencomad Construction Plc

This Questionnaire is prepared by a student researcher, prospective graduate of the year 2011 in the field of Management from St Mar's University Collage. My research title is "Assessment of Human Resource Planning Practice in YENCOMAD Construction Private Limited Company".

This questionnaire has been developed to collect views of professionals working for Yencomad on human resource planning practice of the company.

Please be confirmed that your response will be kept strictly confidential and it will be exclusively used for the research. I kindly request you to complete and return the questionnaire with in two weeks of receipt of the same.

Looking forward to receiving your favorable reply, I would like to thank you very much for your time and cooperation to fill in the questionnaire.

Best Regards

Menbere Andreas

Section 1: Background Information

The questions below are related to your personal profile. Please indicate your response by ticking the appropriate box(es) or by filling the blank spaces provided, as appropriate.

- 1.1. Sex Male Female
- 1.2. Age 18-30 Years 31-45 Years >45 Years
- 1.3. Educational Background
- Diploma 1st Degree 2nd Degree

Others Specify _____

1.4. Years since employed in the company

<1 year

1-3 years

>3 years

Section 2: Human Resource Planning Practice

The questions below are aimed to gain generic understanding of the current Human Resource Planning (HRP) practice in your organization. Please indicate by ticking the appropriate box.

		Strongly Agree	Agree	Neutral	Disagree	Strongly Disagree
A. Attitude toward HRP						
2.1.	In your opinion, Human Resource Planning contributes much to the success of the organization.					
2.2.	In your opinion, the company gives adequate attention to Human Resource Planning.					
2.3.	In your opinion, importance of Human Resource Planning is properly understood and implemented in various departments of the organization.					
B. Challenges In HRP						
2.4.	In your opinion, your company resist practice of human resource planning by thinking that it will create extra cost of manpower as trade unions demand for employee based plans, more facilities and benefits including training and development					
2.5.	In your opinion, Your Company feel that HRP is not necessary as candidates are/will be available throughout the year because of unemployment cases.					
2.6.	In your opinion, Trade unions and employees resist HRP as they view that it increases the work load of employees.					
2.7.	In your opinion, trade unions and employees resist HRP as they view that HRP aims at controlling the					

	employee's thorough productivity maximization.					
C. HRP Design and Implementation						
2.8.	In your opinion, prediction of vacancies and job growth is done properly.					
2.9.	In your opinion, the company considered expected production, volume, and sales levels in the processes of determining its human resource needs.					
2.10.	In your opinion, the desired characteristics (e.g., skills and/or abilities) of employees who will fill the jobs of interest are determined properly.					
2.11.	In your opinion, the desired characteristics (e.g. pay levels and/or experience) of employees who will fill the jobs of interest are determined properly.					
2.12.	In your opinion, the company has established Human resource objectives such as helping current and newly hired employees quickly develop the skills needed by the organization.					
2.13.	In your opinion, the company has established Human resource objectives such as increasing the number of people who are attracted to the organization.					
2.14.	In your opinion, the company has established Human resource objectives such as increasing the length of time that desirable employees stay with the organization.					
2.15.	In your opinion, the company has designed and implemented programs that will enable the organization to achieve its human resource objectives.					

2.16. Do you think that the company monitors and evaluates these programs?

Yes

No

Section 3: Ranking of Factors Influencing HRP

The following factors that influence HRP are identified from literature review and personal experience. The aim of the questions below is to evaluate the degree of impact and frequency of occurrence of the under listed factors on HRP of Yencomad Construction Plc. Please indicate your response by ticking the appropriate box.

I/N	Factors	Degree of impact				
		Very high	High	Moderate	Low	Very Low
1	Technology advancement					
2	Political stability					
3	Social and economic change					
4	Business strategy of the organization					
5	Time horizon of the HRP planning					
6	Type and availability of information					
7	Availability of HR planner					
8	Companies attitude toward HR					

APPENDIX B

Statistical Summary of Section 3

I/N	Factors	Degree of impact					Computation of SI		
		Very high	High	Moderate	Low	Very Low	Nominator of eq. 1	Denominator of eq. 1	Severity Index (SI)
		A	B	C	D	E	$F=5*A+4*B+3*C+2*D+1*E$	$G=(A+B+C+D+E)*5$	
1	Technology advancement	9	8	8	1	0	103	130	79.23
2	Political stability	5	4	5	6	6	74	130	56.92
3	Social and economic change	4	5	4	11	2	76	130	58.46
4	Business strategy of the organization	3	10	8	5	0	89	130	68.46
5	Time horizon of the HRP planning	3	6	7	7	3	77	130	59.23
6	Type and availability of information	7	9	6	2	2	95	130	73.08
7	Availability of HR planner	11	9	4	2	0	107	130	82.31
8	Companies attitude toward HR	6	2	10	6	2	82	130	63.08

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DECLARATION

I, the undersigned, declare that this senior research is my work and that all sources of material used in this senior research have been duly acknowledged.

Name: _____

Signature: _____

Place: _____

Date: _____

Advisor's Approval

This senior research paper has been submitted for examination with my approval as the university collage advisor.

Name: _____

Signature: _____

Date: _____