

Human resource planning helping companies

[Health & Medicine](#)



Rothwell stated that " apart from isolated examples, there has been a little research evidence of the increased use of human resource planning or its success". (Armstrong. M p366). The statement suggests that human resource planning has not been broadly used and the companies are missing out by not adapting it into their structure. Firms that have already introduced human resource planning into their routine think that it helps to increase their company performance.

In a Canadian Chamber of Commerce survey, 72% of firms that use human resource planning said that it helped them with their success in the projects and also unnecessary costs were cut down. The same survey said that too many employees can be very costly to the company: a 300-employee firm with six staff more than required will suffer an unnecessary cost close to 2%. For a smaller firm the disadvantage of having extra workers than required will be significantly more, as their finance is more limited and in a matter to succeed they have to use their resources efficiently.

([http:// services. indiabizclub. com/ catalog/332596](http://services.indiabizclub.com/catalog/332596)) Human Resource Planning helping companies to increase their profit by identifying gaps that have to be filled in or skills that are no longer bring benefits to the company. Also it helps firms to learn how to manage and motivate their staff better, to receive greater results. Human Resource Planning. Vetter (1967 cited in Jacson. E. S) defined human resource planning as " the process by which management determines how organisation should move from its current manpower position to its desired position".

Planning helps managers to have right amount of people, at the right place, performing tasks that will benefit both company and employees with long-run benefits. For the organisation is important that senior management believe " that people represents the key source of competitive advantage because an organisation route to success is based on distinctive product and service quality as well as price". (Bratton. J& Gold. J p 207)

Also Bulla and Scott (1994 cited in Armstrong 2006 p363) defined human resource planning as a process that will make sure that firms labour requirements will be noticed and the plans will be made to full fill those requirements. This highlights the importance of human resource planning which responds to the situation in the company by taking a long term view and works towards preparing an organization to cope with its future requirements and archive its strategic objectives. (Foot. M & Hook. C p37)

Most of the companies understand that business planning will be more successful with the help of adequate human resource planning.

As business planning alone without right number of people with the right skills won't be profitable to the extent that company want it to be. If the company produce a business plan for the future but doesn't plan for its resources, they may found themselves in a situation where time will be taken to fill the gaps that were left in a matter to carry on with the plan. Whatevergoalscompany will have it could be archived only with a help of human skill and effort. One of the stages in human resource planning is to estimate what will be required in terms of skills, number of people to archive the business goals.

(Foot. M & Hook. C p37) For that reason, Human resource planning is tightly connected with demand and supply forecasting. Demand forecasting is a process of estimating the future number of people, skills they will have to have in a matter to bring maximum outcome for the company. (Armstrong. M. p373). We can consider a few good reasons, why companies may consider forecasting (Rothwell. W. & Kazanas. C. H p215): 1. Quantify the positions necessary for producing a given number of goods or services in demand 2. Identify the department or workgroups that can benefit from productivity improvements efforts 3.

Determine what staff mix is desirable in the future 4. Look at the staff levels in different parts of organizations, to avoid unnecessary costs 5. Prevent shortage of people where they are most needed 6. Helps to control costs associated with human resources, ensuring that recruitment, promotions match organizational needs. The ideal basic for the forecast can be budget as well as long term business plan. The company that have a big project planned ahead will have to consider the job that would have to be done and to compare it with the workforce available at the moment, also they can consider ways to motivate and appraise their staff.

If there are not enough people in the company to do the job effectively or they don't have skills needed, there is no need for the company to wait until the project begins to start filling the gaps, as this may result in delay of the project and in worst case scenario in a failure. For manufacturing company, the sales budget will be translated into manufacturing plan giving the number and types of products that would have to be produced. (Armstrong.

M p373) . From this data the number people and hours will be worked out to complete the job.

To have right amount of people with the skills required is essential for the company success, for that reason the plans will have to be reviewed as modern business world is unstable, and long term forecast may not be very helpful for the company. Forecasts that are not reviewed constantly will bring unnecessary costs to the company as it will be out of date, because business world is unstable, and the information that was adequate when the forecast was produced may not be useful after some time.