

THE ADVANTAGE OF INTEGRATING HUMAN RESOURCE PLANNING WITH CORPORATE PLANNING

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Abstract

Human resource planning has traditionally been used by organizations to ensure that they have the right number and the right kinds of people, performing tasks at the right places and at the right time all in a bid to fulfil corporate objectives. The efficiency and effectiveness of organizations depend, to a great extent, on effective human resource planning. Effective human resource planning is a process of analyzing an organization's human resources needs under changing conditions and developing the activities necessary to satisfy these needs. Corporate plan focuses on how the organization can be better positioned and equipped to compete effectively in the market, while human resource planning, contributes to the business by providing the means (people) to accomplish specified goals. To achieve these goals, the human resource planning is seen as one of the most crucial factors, without which the goals are as good as dead. This study provides conceptual clarifications and examines the imperative of integrating human resource planning with corporate/business plan. The study concludes that an organization can derive competitive advantage from the development of corporate plan that blends with the human resource plan and that human resource planning is intrinsically linked to business/corporate plan. Lastly, the study recommended that human resource planning should be a priority in every organization, since it has impact on organizational performance and employee's productivity.



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JEL Classification: J01, G30

Introduction

Given the situation in Nigeria where there are economic difficulties and it is therefore hard to retain good workers; renewed emphasis on productivity, sectoral unemployment especially in manufacturing companies; increasingly complex and expensive employee benefits, technological changes whereby working knowledge of the computer is an advantage, high mobility of labour especially in the banking sectors, this makes a good case for human resource planning. Despite the efforts made by organizations to ensure that there are right people, in the right place, at the right time, performing activities that will benefit the organization in accomplishing its objective and in helping its members to satisfy their needs there are still some challenges in the whole process of implementation of effective human resource planning in organizations. Failure to properly plan for their human resources has been cited as the reason why most organizations today are facing a chaotic situations and employers are compelled to become reactive, rather than proactive [Anyadike, 2013; Kavitha, 2014; Omoankhanlen, 2013]. This tendency of reactiveness causes problems of such recruitment which sometimes leads to wrong recruitments and selection.

The importance of human resource planning in organizations cannot be over-emphasized. Human resource planning (HRP) refers to a process of systematically reviewing human resource needs to ensure that the required number of employees, with the required skills, experience and competencies, is available for the right jobs, at the right time and at the right place and cost [Kavitha, 2014]. Effective human resource planning therefore implies that sufficient manpower or human resources, with the right mixture of talent, is available in appropriate locations, performing their jobs when needed. Human resource planning therefore provides direction, reduces uncertainty, minimizes waste, sets standards, reduces labour cost, maintains good industrial relation and focuses on corporate goal.

Human resource planning is a subset of corporate or business planning and it is very important because the human element drives the entire gamut of the business.



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Furthermore, human resources or manpower is very influential and wields a lot of discretionary power in comparison to other operational factors that are passive [Anyim, 2015]. A well planned, nourished and revitalized human resource planning process can deliver the goods which in turn can achieve the twin goals of organizational and national development. In the light of the foregoing reasons, strategic integration is necessary in order to provide congruence between corporate or business and human resource strategy so that the latter supports the accomplishment of the former and, indeed, helps define it. The objective is to provide strategic fit and consistency between the policy goals of the corporation or business and human resource planning and to establish the importance and role of human resource planning as a corporate activity that drives other human resource functions notably recruitment and selection, training and development, replacement, motivation and compensation management process that are central to organizations' ability to be economically competitive.

Literature Review

Planning, Human Resource Planning and Corporate Planning

The term planning is used in so many different ways that there is often confusion about what people actually mean when they talk about planning or when they use the words such as plans and planner. Moreover, many of its uses are so broad that the basic elements of planning are difficult to identify, and it cannot easily be distinguished from related activities such as policy-making or plan implementation. It was partly this confusion which led one writer on the subject to title his article, "If planning is everything, maybe it's nothing" [Wildavsky, 1973]. Planning is the first and perhaps the most important function of any management, be it business, construction or even governing [Nwachukwu, 1998]. The essence of planning is to prepare for and predict future events in any business set up. Planning goes beyond attempting to attain stated organizational objectives. It entails determination of control, direction and methods of accomplishing the overall business objective [Anyim, 2015]. Planning enables an organization to affect rather than accept the future. By setting objectives and charting a course of action, the organization commits itself to making it happen. It is such commitment that allows the organization to affect the future. It should be made clear at this point that without a planned course of action, organization is much more likely to sit back and let things happen and then react to such happenings in a crisis mode. In the view of Andersson,



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Avasalu and Gabrielson (2002), planning has become more complex, particularly in the present turbulent business environments, which increases the tensions between the greater need for planning and the greater difficulties of prediction. According to Anyadike (2013), planning is a continuous process which involves decisions or choices about alternative ways of using available resources, with the aim of achieving particular goals at some time in the future. Therefore, planning involves deciding what should be done, how it should be done and when it should be done in determining organizational goals and the means of achieving those goals of the organization. Williams (2000) recognized that planning helps to ensure that individual working together in an organization understand the purpose of their organized effort and the task ahead of them.

Unugbro (2006) have rightly observed that planning provides a means for actively involving employees from all areas of the organization in the management of the organization. Involvement in the planning process fosters a greater personal commitment to the plan because it develops an attitude towards the plan as “our plan” rather than “their plan”. Positive attitudes created by involvement also improve the employees morale and loyalty. Thus, planning positively affects managerial effectiveness and helps people within the organization to know what is expected of them. As regards human resource planning, planning entails taking care of current and future manpower needs of the organization [Frantzeh, 1981]. There is a close link between human resource planning and strategic organizational planning. This is because for effective human resource plan, there must be a reliable input or information as regards the future direction of the organization in respect of the type of activities it would be involved in the future and the type of skills required.

What is popularly known as human resource planning was formally called manpower planning prior to late 1970s. The usage of manpower planning was appropriate them, since it was the era of personnel management. However, in the early 1980s, the term ‘human resource’ in place of ‘manpower’ planning gained acceptance as a way of emphasizing the positive view of human resource in line with human resources management concept. Human resource planning is a very important aspect of business organization in that organizational performance and its resultant productivity are directly equated to the quantity and quality of its human resources. Therefore, the efficiency and effectiveness of organizations depend, to a great extent, on effective human resource planning.

Traditionally, human resource planning is used by organizations to ensure that they have the right number and the right kinds of people, performing tasks at the



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right places and at the right time all in a bid to fulfil business objectives. Thus, human resource planning involves ensuring that organization objectives are achieved by developing and implementing human resource strategy. It employs systematic and continuing processes of analyzing an organization's human resource needs under changing conditions and integrating the analysis with the development of human resource policies appropriate to meeting those needs [Fapohunda, 2015]. In the view of Bohlander and Snell (2007), human resource planning is the process of anticipating and making provision for the movement of people into, within, and out of an organization. Overall, its purpose is to help managers deploy human resources as effectively as possible, where and when they are needed, in order to accomplish the organization's goals and objectives. According to Anyim, Ekwoaba and Ideh (2012), human resource planning involves a complex task of forecasting and planning for the right numbers and the right kinds of personnel at the right places and at the right time to perform activities that will benefit the organization in accomplishing its objectives and in helping its members to satisfy their needs.

With the speedy development of Japanese and China economy, countries all over the world discovered that the rapid growth of any economy did not lie in attaching single importance to material factors such as the production system. Hence, organizations are realizing that it is imperative to hire employees who can do the job and be successful at it. It becomes the duty of the organization to find these people, bring them into the organization and maintain their services. This requires human resource planning and implementation. Researchers such as Heneman and Judge (2003); Gberevbie (2008); Hamid *et al.* (2013); Kavitha (2014); Alugbe (2016) have agreed that an organization's inability to formulate and implement strategies capable of recruiting competent employees and retaining them to achieve organizational goals is one of the main challenge facing organizations in the area of performance. Besides, continuously satisfying the employees is another challenge that the employers are facing today. It is unfortunate that many organizations had to suffer due to inadequacy of human resource planning.

The basic for human resource planning is the competitive organizational strategy of the enterprise as a whole. This is why Fajana (2006) in handling the subject says that human resource planning deals with the systematic and continuing process of analyzing a firm's human resource needs under mutating conditions and developing workforce policies suitable to the long-term effectiveness of the organization. It is a vital part of corporate planning and budgeting procedures since



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human resource are affected by long-term corporate plans. Conceptually, human resource planning should be an integral part of corporate or business planning. The corporate planning process should define projected changes in the scale and types of activities carried out by the organization. It should identify the core competencies the organization needs to achieve its goals and, therefore it skills requirements. In as far that there are articulated strategic business plans, human resource planning interprets them in terms of people requirements. But it may influence the business strategy by drawing attention to ways in which people could be developed and deployed more effectively to further the achievement of business or corporate goals, as well as focusing on any problems that might have to be resolved in order to ensure that the people required will be available and will be capable of making the necessary contribution [Armstrong, 2009].

Omoankhanlen (2013) has clearly stated that human resource planning is useful in identifying the knowledge and skills needed to successfully identify human resource requirements and attract and retain an effective workforce for an organization. Human resources planners in organizations need an understanding of how recruitment and selection fit into the broader organizational structure, process and goals of an organization and how this function is related to the other functions of human resource management. Therefore, human resource planning cannot exist in isolation. It must be linked to other human resource management functions. Human resource planning is the foundation of staffing. Hence, human resource planning is a process that identifies current and future human resources needs for an organization to achieve its goals. It means forecasting an organization's future demand and supply for employees, based on its business needs and subsequently developing and employing the strategies required to meet these needs. It involves a gap analysis between current human resource supply and future demand. Strategies are then developed to address the gap and may involve recruitment, selection, training, development, contracting and partnering, and activities relating to downsizing. Therefore, "forecasting future needs" implies understanding the future business directions of the organization so that the human resource needs can be appropriately identified.

However, 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 programmes (recruitment and selection, replacement, training and development,



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compensation management and motivation) 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 programmes to improve employee performance or to increase employee satisfaction and involvement in order to boost organizational productivity, quality, or innovation [Quinn, 1983; Legge, 2001; Armstrong, 2009]. Thus, human resource planning can be conducted at the organization level or at any component level, but a key to its success is always understanding and linking to business direction.

The Essence of Human Resource Planning in an Organization

Henri (1980) asserted that, scientific human resource planning makes the organizations acquire the right number of qualified people in the right job at the right time, focus on corporate goal, utilize human resource, reduce uncertainty, reduce labour cost, keep records, maintain good industrial relations, and regularize in production. Therefore, human resource planning anticipates not only the required kind and number of employees but also determines the action plan for all functions of human resource management. The major payoffs of human resource planning in an organization are catalogued as shown below:

- It helps meet the needs of the programmes of expansion, technological change and diversification.
- It helps in planning for physical facilities, working conditions, the volume of fringe benefits like canteen, hospitals, conveyance, child care centres, company stores, etc.
- It helps foresee the need for redundancy and make plans for minimizing turnover and filling up of consequent vacancies.
 - It facilitates the control of all functions and cost of human resources.
 - It helps foresee the impact of technology on work, existing employees and future human resource requirements.
 - It helps minimize the imbalances caused due to non-availability of human resources of the right number, the right kind and in the right place.
 - It helps improve the standards, skills, knowledge, abilities and discipline within the organization.
 - It helps assess the surplus or shortage of manpower and take measures accordingly.
 - It helps recruit and retain the manpower of required quantity and quality.



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- It provides scope for advancement of employees through training and development.
- It helps take steps to improve human resource contributions in the form of increased productivity and sales.

Objectives of Human Resource Planning

The objective of human resource planning is to ensure that the organization has the right number of people with the right skills needed to meet forecast requirements. However, the central objective of human resource planning in organization is to construct a strategy of human resources development consistent with the organization's broader aims of economic development [Anyadike, 2013]. As a plan, human resource planning seeks to define the ends and means to achieving the overall organizational goal which include the following:

- i. Attracting the number of people required with the appropriate skills, expertise and competencies deficit in people.
- ii. Development of a well trained and flexible workforce, thus contributing to the organization's ability to adapt to an uncertain and changing environment.
- iii. Reducing dependence on external recruitment when key skills are in short supply by formulating retention, as well as employee development strategies.
- iv. Improving the utilization of people by introducing more flexible system of work [Armstrong, 2009].
- vi. Human resource planning establishes standard and control for human resource management and this makes adaptation to future rational.
- vii. Anticipating the problems of potential surpluses or deficits of people [Ikeanyibe, 2009].
- viii. Human resource planning is recognized as a source of development of organizational functions based on mission and objectives of the business [Ulrich, 1987]. With the help of planning, areas that need better functioning are identified to make them grow and succeed.

Approaches to Human Resource Planning

Anyadike (2013) has rightly observed that no activities can be done without planning, just as nothing can be done in any organization without first determining the organization's human resource needs. Human resource planning, according to Cole (2008), refers to any rational and planned approach for ensuring:

1. The recruitment of sufficient and suitable staff;
2. Their retention in the organization;
3. The optimal utilization of staff;
4. The improvement of staff performance;
5. The disengagement of staff, as necessary.

Therefore, human resource planning as a process determines organization's human resource needs with specific approaches such as: quantitative approach, qualitative approach, and mixed approach [Frantzeh, 1981].

i. *Quantitative Approach*: Is management-driven also known as top-down approach. It focuses on the required numbers of employees rather than personal aspect of individual. It is the foundation of Human Resource Management Information System (HRMIS), Demand Forecasting Technique (DFT), and Work Study Technique (WST). Explicatively, the Human Resource Management Information System (HRMIS) gives information about name, post, qualification, experience, remuneration and allowance, performance and updated human resource inventory; while Demand Forecasting Technique (DFT) utilizes trend analysis, Markov model, economic model, mathematical model, Time-series model, etc., as major demand forecasting techniques; and Work Study Technique (WST) determines the work standard of employees using observation, interview, diary, etc.

ii. *Qualitative Approach*: Is employee-driven also known as bottom-up approach that focuses on the personal aspect of individual rather than required numbers of employees. Qualitative approach of human resource planning is mainly concerned with matching organizational needs with employee needs such as: remuneration and incentive plans; recruitment, selection, development of employees; career planning; promotion and transfer; employees safety, welfare and working environment; motivational activities, and maintenance.

iii. *Mixed Approach*: Combines the quantitative and qualitative approaches to strike a balance between both approaches. This approach of human resource planning produces better results because it is a blend approach [Frantzeh, 1981].

Corporate or business planning is a systematic approach to clarifying corporate objectives, strategic decision-making and checking progress toward objectives. A corporate plan is a set of instructions to managers of an organization describing what role each department is expected to fulfil in the achievement of organization's objectives [Brian, 2006]. The success of a firm or an organization is typically attributed to effective corporate planning. That is why Anyim (2015) in handling the



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subject defines a business plan as a formal statement which outlines the goals of the business, the reasons why they are believed to be attainable and also the path for reaching set goals. Therefore, an effective corporate or business planning details the scope of the business, defines organization goals, establishes roles and job responsibilities, draws up details plans to achieve those goals, allocates resources optimally and oversees operations. It is a structured approach aimed at ensuring that an organization meets its objective. In the view of SPARC (2014), corporate planning is a process in which an organization (ministry, parastatal or agency) analyzes its objectives, priorities, develop strategies and environment in the light of its mandate, and determines how to organize and apply its resources (human, finance, etc) to achieve its objectives and meet its service delivery standard and targets. Specifically, a corporate plan guides the management and staff of any organizations in a cohesive effort to carry out the mandates of their respective establishments. Corporate planning is a review and reorganization process usually carried out in response to some sort of change [Cole, 2013]. Such a change could be:

- a. A changing environment – Political, economic or financial resulting in a changed level of public funds available.
- b. New technologies which radically affect the way work is done, e.g., information and communication technology (ICT).
- c. New mandates, priorities or services required.
- d. Ageing workforce, redundant skills or other human resource (HR) constraint.
- c. New social/cultural norms e.g. public expectation, gender, etc.

Figure 1. below illustrates the different stages involved in developing corporate planning process described above.

Integrating human resource planning with corporate planning within this context regards how best to attract corporate level productivity or performance measurement in terms of its efficiency, effectiveness, profitability, creativity, innovativeness and even continuous reliance in the discharge of its statutory mandates. In summary, these are at the pinnacle of quality service delivery and for which human resource management (HRM) practitioners have the responsibilities to drive in the organization. To the extent that the HR managers are not currently well-equipped as specialists, to discharge all the relevant Human Resource Management Information System (HRMIS) functions required to deliver corporate planning for organizations, here lies the major challenge.

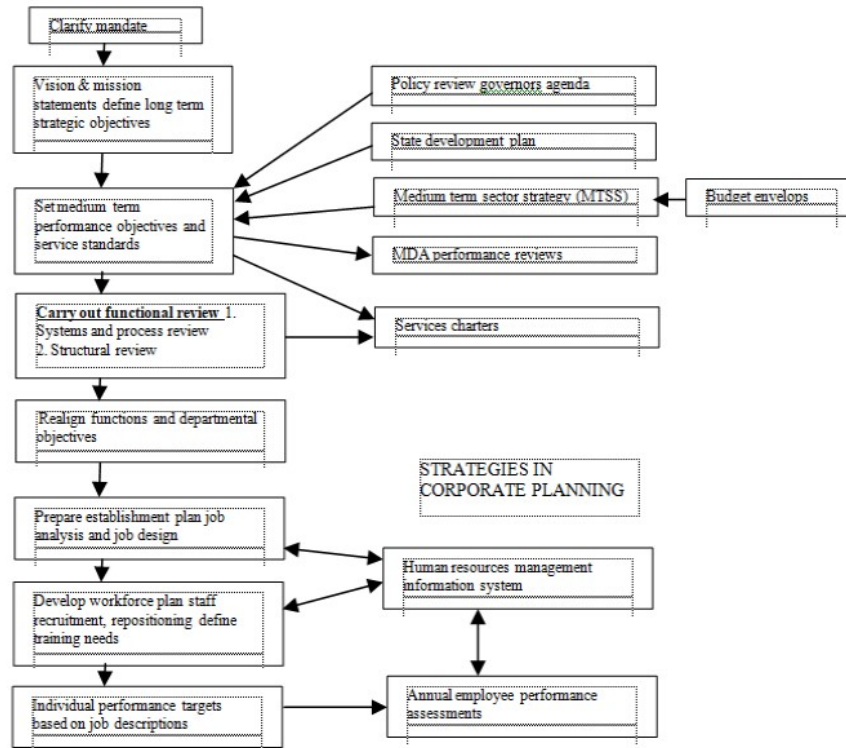


Fig. 1. Corporate Planning Framework

Source: SPARC (2014) – Corporate Planning Guidance Pack: Short and simple processes for State Government Structures and Functions.

Integrating Human Resource Planning with Corporate/Business Plan

The integration of business or corporate and human resource planning is likely to be more appropriate in a stable market place, with largely passive (and static) customers, and with scope for long-term forecasting because of the predictability of demographic change. This applies to many public sector enterprises and it is happening under the name of workforce planning (Employers' Organization for Local Government, 2003, cited in Armstrong, 2009). Linking human resource



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planning to corporate or business planning interprets these plans in terms of people requirements. However, it may influence the business strategy by drawing attention to ways in which people could be developed and deployed more effectively to enhance the achievement of business goals as well as focusing on problems that might have to be resolved to ensure that the people required will be available and will be capable of making the necessary contributions [Armstrong, 2009]. As Quinn (1983) indicates, human resource planning is:

*“a decision-making process that combines three important activities:
1. Identifying and acquiring the right number of people with the proper skills,
2. Motivating them to achieve high performance, and 3. Creating interactive links between business objectives and people-planning activities”.*

In terms of forecasting, Taylor (2008) notes that it would seem that employers, quite simply, prefer to wait until their view of the future environment clears sufficiently for them to see the whole picture before committing resources in preparation for its arrival. The perception is that the more complex and turbulent the environment, the more important it is to wait and see before acting. However, Farnham (2006) explains that human resource planning is important because it encourages employers to develop clear and explicit links between their business and HR plans and to integrate the two more effectively. It allows for better control over staffing costs and numbers employed and it enables employers to make more informed judgement about the skills and attitude mix in organizations. He expresses displeasure that organizations give little time to it because of lack of resources, skills, time and effort required and absence of relevant data to do so. Briam (2006) posits that a well integrated business plan seeks to address varying important issues. Guided by the business or corporate plan, the human resource planners will have a well designed and sound sourcing demand programme for different dates in future which then can be compared with the rough supply programmes by striking a balance.

On strategic role of HR planners, Wright, Snell and Jacobsen (2004) stress that they contribute to the development of business strategies. The emphasis on quantitative, flows and mathematical modelling which appeared to be the main concern of HR planning in the 60s and 70s is at least complemented by and integrated with a qualitative view of people whose performance was at the core of business strategy [Legge, 2001]. Armstrong (2009) holds that human resource



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strategies are aligned to business objectives and integrated with one another through line managers and colleagues which stand on a daily basis to support the implementation of the business. Dainty (2000) notes that the workforce plan can save the organization a lot of money and at the same time add competent staff to the organization to surpass business target. In support of the foregoing view, Hunger and Wheelen (2003) state that HR planning alignment implies integrating decisions concerning employees with decision regarding the outcomes a business is attempting to reach in line with the objective of the company in question.

Aina (2005) explained that in today's competitive environment the penalties for not staffing an organization correctly are huge. Understaffing loses the business economies of scale and specialization, orders, customers and profit. Overstaffing on the other hand is wasteful and expensive. If sustained, it is costly to eliminate because of modern legislation in form of redundancy payments, consultation, minimum period of notice, etc. Very importantly, overstaffing reduces competitive efficiency of the business enterprise. Hassan *et al.* (2013) was of the view that human resource planning must be linked to the overall strategy of the organization. It evaluates human resource requirements in advance keeping the organizational objectives, operation schedules, and demand fluctuation in the background. Thus, human resource planning should be future-oriented, system-oriented, and goal directed.

In a brief, it is essential to blend human resource planning with corporate or business for the following reasons:

i. *Work Demand*: It is concerned with analysis, reviewing and attempting to produce the numbers and the kind of manpower or HR needed by the organization to achieve its objectives. It is concerned with making an inventory of present human resources and assessing the extent to which these resources are employed optimally. Therefore, it give a clear analysis of those engaged in terms of numbers and skills employed by the organization in relation to the approved budget and dictates of the business plan [Anyim, 2015].

ii. *Work Supply*: This entails predicting what action will be necessary to ensure that manpower or HR need is available when required by business partners.

iii. *Linkages between Work Supply and Demand*: This is concerned with designing the interaction between supply and demand so that skills are utilized to the best possible advantage and the legitimate aspirations of the individuals are taken into consideration. This entails anticipating human resource problems by projecting



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present resources into the future and comparing them with the forecasts of requirements to determine the adequacy, both quantitatively and qualitatively and planning the necessary programmes of requirements, recruitment and selections, training and development, utilization, transfer, promotion, compensation and motivation to ensure that future human resources requirements are properly met.

iv. *Organizational Change*: In today's competitive and turbulent economic environment characterized by the fear of change and uncertainty, strategic planning in terms of human resource is a must [Anyim, 2015]. Such changes will generate changes in skills, job content, surplus or shortage of manpower.

v. *Planning for Substantive Reasons*: This involves optimizing the use of resources and making them more flexible, acquiring and nurturing skills that take time to develop, identifying potential problems and minimizing the chances of making a bad decision [Armstrong, 2009].

vi. *Government Influence*: State is said to be a necessary evil and hence has influence in the affairs of organizations due to some of its programmes targeted at correcting the ills of the past regarding working conditions, child and women labour, problem of unorganized, formal and informal sectors [Anyim, 2015]. These have galvanized organizations to understand and appreciate the imperative of genuine human resource planning.

vii. *Planning for Organizational Reasons*: This involves communicating Plans so as to obtain support/adherence to them, linking HR plans to business plans so as to influence each other, regaining corporate control over operating units and coordinating and integrating organizational decision-making and actions [Armstrong, 2009].

Areas of Importance for Effective Integration of Corporate and Human Resource Planning

a. *Recruitment and Selection*: In reality, two components exist in human resource planning prior to human resource planning of recruitment and selection. These Components are job Analysis and Job Design. Job analysis is a systematic process of collecting, analyzing and organizing information relevant to the content of jobs in order to provide the basis for a job description and specification. Job analysis concentrates more on what job holders are expected to do. Thus, trust and confidence is an essential requirement for the process of job analysis. Job design on the other hand is an important factor that influences employee's motivational level in the



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organization. The structural techniques for increasing an employee's motivational potential are job enrichment, job engagement, job rotation, flextime, reengineering, work-sharing, compressed workweek and telecommuting.

Getting the right people into positions in the organizations is not easy. There is need of an effective intake process in which skills and knowledge of individuals are matched with the demands of jobs. Therefore, recruitment is the process of attracting and encouraging applicants with certain skills, abilities and other personal characteristics to apply for job vacancies in an organization while selection is the process of identifying and employing those with greater likelihood of success in a job. In deploying recruitment and selection as a human resource planning tool to achieve corporate or business plans, the following questions are pertinent: How many and what types of people are required? Should recruitment or internal deployment and transfer be preferred? If so why? For instance, are there imbalances where transferring people would avoid a redundancy and encourage or support recruitment? What problems exist with recruitment, and how might these be mitigated? Might less conventional contracts (such as job-share and telecommuting) fit into new sources of recruitment?

In recent years, there has been growing evidence that the formation of a positive psychological contract with employees provides the basis for a positive outcome in terms of organizational commitment and motivation. Recruitment and selection are vital tools in the formation of the expectations that form such a contract [Anyim, Ekwoaba & Ideh, 2012]. Recruitment and selection are critical processes for organizations. However, approaches to the recruitment and selection of employees which forms the secondary internal market could be subject to less screening at the point of entry, attention being paid mainly to possession of required skills. The employees might be recruited and selected by cheaper method but must be aligned to organizational strategy via specification of required competencies.

b. *Training and Development*: The expectation of every employer is the evolution of a competent, capable, highly motivated, ethical and above all, able workforce whose hallmark would be the attainment of organizational goals. Training and development always attract employees interested in career growth and upward mobility. Because training increases the knowledge and skills of employees, organizations do not really have a choice of whether to train or not, it is only a choice of method. If no planned programme of training is established, then the employee will train himself by trial and error or by observing others which is more costly. In using



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training and development as human resource planning tool to achieve corporate/business plans, it is important according to Anyim (2015), to provide answers to the following questions: Given the number and types of people required, how desirable is it that they should be trained from within, and what is the capacity of the internal training and development system to deliver them? Where will trainees come from – from among existing employees, through those already in the pipeline, or new recruits? How will trainees be selected, either from within or without? What kind of training programme is required, what are the implications of taking off-the-job, who will run it (is it the training programme or their job, how will the trainers be resourced, what will be the cost)? What are the requirements for developing people, such as managers, over the long-term?

Training and development are a very important and necessary activity in all organizations. They play an imperative role in determining the effectiveness and efficiency with which an organization accomplishes results. Tomlinson (2002) forwarded the view that organizations can keep the leading edge in this competitive world by having their employees well trained in the latest technologies because the more knowledge the employee learn, the more he or she will perform and meet the global changes of the market place. Das and Baruah (2013) have mentioned that proper innovation, and assimilation of new knowledge is essential for survival in any work environment. Thus, knowledge is the most expensive asset of any firm.

c. *Replacement*: Guided by the fact that there is no vacuum in life, we integrate human resource planning as a subset of corporate/business plans to achieve organization plans. However, in case of deaths, discharges, resignations, redundancy, promotions, transfers and retirements, for the corporate plan not to suffer, it is imperative in human resource planning to forecast how best to replace manpower needs. Therefore, the process of identifying, developing and tracking key individuals so that they may eventually assume top-level positions in the organization is becoming a critical requirements for maintaining a competitive advantage and enhance employee loyalty.

d. *Compensation Management*: In using compensation as a human resource planning tool to achieve corporate plans is concerned with the formulation and implementation of strategies and policies in order to reward people fairly, equitably and consistently in accordance with their value to the organization. It is a complex and problematic issue in human resource management as it leads to strained relationship between labour and management in several occasions. Employees'



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compensation in whatever form remains a cost to the business and affects the profitability, to elicit the commitment of manpower to the organization, the compensation package must be perceived to be fair, equitable and consistent in comparative terms. Silbert (2005) forwarded the view that reward is important because it has an enduring impression on employees which, in turn, gives the employees an impression that they are valued in the organization. In a research by Moncraz, zhao and Kay (2009) it was concluded that although compensation was not one of the top factors influencing non-management turnover, still compensation can act as a critical factor in reducing managerial turnover and increasing commitment.

e. *Motivation*: Employees' willingness to work depends on how well an organization's management integrates the interests and needs of employees with the objectives of the organization. However, most organizations given priority to what should be done or put in place to achieve and sustain high levels of performance through people. In business/corporate planning, close attention should be given to how the people in the organization can be motivated through incentive rewards, the work itself and its environment, leadership and mode of supervision [Anyim, 2015; Alugbe, 2016]. Therefore, people are motivated when they expect that a course of action is likely to lead to the attainment of a goal and a valued reward – one that satisfies their needs and wants.

Challenges and Issues with Human Resource Planning

Despite the efforts made by organizations to ensure that there are right people, in the right place, at the right time, there are still some challenges in the whole process of implementation of human resource planning in organizations. Failing to properly plan for their human resources, employers are compelled to become reactive, rather than proactive. Moreso, one has to navigate through state and corporate rules, policies and procedures, and also deal with different types of personalities, needs and crisis. Understanding some of these challenges one may face in the course of human resource planning could help for hitch free human resource planning when issues arises:

i. *Workplace Diversity*: Managing diversity is a concept that recognizes the benefits to be gained from differences. So, diversity management is being hailed as a proactive, strategically relevant and results-focused approach and a welcome departure from the equal opportunities approach, which has been defined as reactive, operational and sometimes counterproductive. Therefore, business organizations



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must encourage the absorption of different skills and talents from all spheres of life to promote expansion, globalization and progress [Anyim, Ekwoaba & Ideh, 2012]. From the foregoing, diversity can help foster a productive and innovative work environment as blending of new ideas, different perspectives, as well as different approaches to work and problem-solving will not only be result-oriented but also rewarding to the employer. Armstrong (2009) forwarded the view that workplace diversity is founded on the premise that harnessing these differences will create a productive environment in which everyone will feel valued, where their talents are fully utilized, and in which organizational goals are met.

ii. *Environmental Factors*: Environmental issues are residence in organization. Economic, technological, demographic, cultural and political changes affect the internal work climate of an organization. Differences in work value between generations, such as baby Boomers and generations X and Y, mean that employees have different preferences, motivations, interests, aspirations etc. and these diverse preferences have to be satisfied by the employer or management. Moreso, for an organization's vision and mission to be effective, they must become assimilated into the organization's culture. They should also be assessed internally and externally.

iii. *Employee Attitude*: The unfortunate side of human resource planning is dealing with difficult and problematic employees. As in life situation, workplace is staffed with different kinds of people coupled with other negative tendencies which employers must contend with. Human resource managers are often called to assist with coaching, mediation and disciplinary actions to foster harmonious and orderly work environment [Anyim, Ekwoaba & Ideh, 2012]. To prevent hiring problematic employees, human resource planners must use valid and reliable screening instrument.

iv. *Poor Record Keeping*: This is constraining human resource planning in organizations; even though human resource planning is not necessarily numerical estimation, record keeping is the hub of human resource planning. However, it is important to keep document of the hiring process and clearly define expectations from the potential applicants.

v. *Mismatch between Applicants' Skills and Jobs*: Forecasting human resource needs should be supported with effective recruitment and selection, replacement and retention policy framework. An organization may find it difficult to fill vacant positions and consequently engage the services of a consultant which might be due to pressure or more demand within the organization and not because there is no available talent in the job market. Another reason is likely to be that the organization's recruiting



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strategies are not attracting the right talent. Being unable to fill positions necessary to achieve operational goals leaves an organization in a weak business position [Anyim, Ekwoaba & Ideh, 2012].

vi. *Employee Turnover*: The turnover of key employees can have a disproportionate impact on the business. The people organizations wish to retain are often the ones most likely to leave. Therefore, there is no such thing as a job for life and today's employees have few qualms about leaving employers for better offer elsewhere. Concerted action is required to retain talented people and also it is necessary to encourage the greatest contribution from existing talent and to value them accordingly. Today's organizations can no longer just hire to fire or can no longer rest on the belief that individuals will stay with the organization through thick and thin. Therefore, effective human resource planning in the areas of recruitment, retention, utilization, improvement and disengagement of staff is a necessity in today's turbulent business world. In all, the major setback in human resource planning is the non-systematic analysis of human resources on a continuous basis.

vii. *Inadequacies of Information System*: Information system regarding human resources has not yet fully developed in organizations of the third world countries due to low status given to HR department and less importance attached to human resource planning. As human resource planning is based on reliable data and information, the same is not maintained in a proper manner in some of the industrial organizations. Then, in the absence of reliable data and information, it becomes difficult to develop effective human resource plans.

viii. *Uncertainties*: Uncertainties are quite prominent in human resource practices in the third world countries due to labour turnover, absenteeism, market fluctuation, seasonal employment and changes in technology. These render human resource planning ineffective and also makes human resource forecast a mere guess far from reality. These uncertainties have to be addressed by the employer to enable an organization to adjust its hiring needs.

Procedures in Human Resource Planning

a. **Analyzing the current Human Resource Inventory**: Before a manager makes forecast of future human resources, the current manpower status has to be analyzed. For this to be fully appreciated, the following factors have to be clarified.

1. *Type of Organization*: The nature of an organization cannot be over emphasized in human resource planning. It is essential to determine the activity of the



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organization whether it is service-based, manufacturing, assembling, consultancy, military etc.

2. *Number of Departments*: The size of the organization is a key factor in human resource planning to avoid under or over staffing. The number of departments in an organization will tell you whether the organization is small or large and from this other basic information can be inferred.

3. *Number and Quantity of such Departments*: The relevance of a department differs in an organization. This is in consonance with the type of organization it is? The core staff in a service organization like the University of Benin Teaching Hospital (UBTH) will be different from the core staff at the University of Benin even though both are tertiary institutions but give different services. One is providing healthcare services, will have the medical staff as core, while the other is building human capacity and will have the lecturers as core.

4. *Employees in These Work Units*: The above factors are germane in determining the number, quality and condition of service for the employees in the organization. Once these factors are duly analyzed by the manager, then forecasting future human resource needs can be projected.

b. **Making Future Human Resource Forecasts**: Once the factors affecting the future human resource forecasts are known, planning can be done in projecting for the future human resource requirements in several work units in the organization. Some of the human resource forecasting techniques commonly employed by the organizations are as follows:

i. *Expert Forecasts*: This includes formal expert surveys and Delphi technique. It involves obtaining independent judgements from a panel of experts usually through a questionnaire or interview. In a nutshell, this simply requires managers to sit down, think about their future workloads, and decide how many people they need. It might be done on a 'bottom-up' basis with line managers submitting proposals for agreement by senior management. Alternatively, a 'top-down' approach can be used in which company and departmental forecasts are prepared by top management, possibly acting on advice from the HR department.

ii. *Trend Analysis*: Human resource needs can be projected through extrapolation (Projecting past trends), indexation (using base year as basis), and statistical analysis (central tendency measure). Trend analysis are most useful in organizations where work environments remain relatively stable, because such trend analysis assumes that past relationships between number of employees and outputs can be applied to future



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conditions. Trend analysis will however not apply if conditions change drastically from what is obtained in the past.

iii. *Work Load Analysis*: It is dependent upon the nature of work load in a department, in a branch or in a division. Work load analysis can be used when it is possible to apply work measurement to calculate how long operations should take and the number of people required.

iv. *Workforce Analysis*: Workforce analysis can be used whenever production and time period has to be analyzed, due allowances have to be made for getting net human resource requirements.

v. *Computer Simulations*: Several mathematical models, with the aid of computers are used to forecast human resource needs, like budget and planning analysis, regression analysis and new venture analysis. Computers are especially useful because they can provide infinitely detailed assumptions about situations found in scenarios, thus, needs for human resources can be pinpointed for any combination of organizational and environmental variables.

c. **Developing Employment Programmes**: Once the current inventory is compared with future forecasts, the employment programmes can be framed and developed accordingly, which will include recruitment, selection procedures and placement plans.

d. **Design Training Programmes**: These will be based upon the extent of diversification, expansion plans, development programmes, etc. Training programmes depend upon the extent of improvement in technology and advancement to take place. It is also done to improve upon the skills, capabilities, technology and advancement of knowledge of the workers while focusing on the organizational goals. In this modern era of technological advancement which has led to frequent changes in our business environment, it is necessary for every organization to induct their employees into training and development programmes that will enable them to meet the new challenges. Therefore, a well trained and developed employee will contribute meaningful to the development and survival of the organization.

Conclusion and Recommendations

Human resource planning is a part of human resource management which helps in recruiting the right number and the right kinds of people, performing tasks at the right places and at the right time all in a bid to fulfil corporate objectives. Human resource planning is essential for organizational effectiveness and efficiency because



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it makes the organizations acquire the right number of qualified people in the right job at the right time, focuses on corporate goal, utilizes human resources, reduces uncertainty and labour cost, regularizes production, maintains good industrial relations, keeps records, and controls human resources.

Human resource planning must be linked with the corporate plan as this is the only way to make human resource planning effective since it aims is not just ensuring that people are in the right place, at the right time and in the right number, but that they are also ready to adapt appropriately to different activities for future human resource needs. It is therefore never late for changes in the modus operandi of the organization hence a never ending process which utilizes matching human resources to its demand and supply for effectiveness and efficiency in achieving the overall corporate goals. To enhance human resource planning, the aim of human resource acquisition and retention should be to ensure, on the one hand, that the achievement of corporate objectives will not be inhibited by human resource shortages or inefficiencies and, on the other, that impending surpluses can be dealt with in good time with minimum individual hardship and disruption to employee relations. That is what the blending of corporate/business with human resource planning should stand out to achieve in both the short and long-term.

Human resource planning should be based on information concerning the corporate/business plan. For instance, external environment with particular reference to the supply of people (demographics) and the availability of skills should be the main focus of the human resources planner. Human resource issues in which human resource planning is domiciled could extend to employee relations, productivity, motivation and commitment. Human resource planning is perhaps the most critical factor of all requirements for integration as it has to be justified by the corporate/business plan and strategy. Where this is lacking, human resource planning will be perceived by top management and line managers as of little relevance to the real priorities of the business and the credibility of the human resource planners will be in doubt and could be questioned.

Human resource planning activities are all interdependent. There is no doubt that human resource planning is good for organizations. Therefore, the following recommendation is made to ensure an effective and efficient human resource planning:

i. In human source planning, attempts should be made to ensure the accuracy of forecasts. If forecasts are not accurate, planning will not be accurate. The inaccuracy of forecast increases when departmental forecasts are merely prepared without



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critical review of programmes and strategic needs to be developed for recruitment and selection, training and development, promotions and internal transfers in order to meet future human resource requirements.

ii. Human resource practitioners should align organizational values with employees value upon selection. The quota system policy on employment in the public sector in Nigeria for instance should be abolished or at least watered down as it distorts strategic human resource planning in the public sector.

iii. Human resource planning requires the support and commitment of top-management. In the absence of management support and commitment, the necessary resources and co-operation will be lacking. Then, human resource planning effort will be frustrated.

iv. Performance management system-including performance appraisal, improved productivity and competencies should therefore be made integral part of human resource planning.

v. The educational system in Nigeria should be reviewed continuously and emphasis placed on qualitative production of human resource rather than in quantitative term. The human resource planning should focus on areas of high priority with inadequate human resources in order to enhance both corporate and national development.

vi. There should be a recruitment policy in the organization which must be based upon corporate goals and needs. The criteria for selection and preferences should be based on merit. It would also be essential to ensure that the implication of change in one aspect of business is considered for other aspect of human resource planning. For instance, acquisition of a new company raises questions about the issue of staffing, training and performance management etc.

vii. Those saddled with human resource planning should not remain aloof from operating with line managers. Anyim (2015) buttresses the foregoing point by stating that human resource planning is done in partnership with line managers to ensure that human resource planning is integrated with other management functions. The alignment will guarantee better utilization of existing human resources and matching skills with job requirements.

viii. The hard aspect of human resource planning is on quantitative analysis to ensure that the right number of people is available when needed. On the other hand, the soft aspect of human resource planning as described by Marchington and Wilkinson (1996) is more explicitly focused on creating and shaping the culture of



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the organization so that there is a clear integration between corporate goals and employees values and beliefs. Armstrong (2009) buttresses the foregoing point by stating that to align both the hard and soft aspects of human resource planning, human resource requirements should be forecasted quantitatively and qualitatively with the qualitative aspect focusing on issues such as career develop and planning, morale, motivation, diversity etc.

ix. It would be essential to ensure that personnel records in organizations are complete, up-to-date and readily available to ensure an adequate and strong data-base. Armstrong (2009) buttresses the foregoing point by stating that data-base serves as backbone for human resource planning.

x. Planning for human resource involves designing a parameter for ensuring the contributions of human resources to business performance [Armstrong, 2009; Anyim, 2015]. Boxall and Purcell (2003) buttress the foregoing point by stating that the most potent action human resource managers can take to ensure that their strategic contribution is appreciated is to develop a measurement system that convincingly showcases manpower's impact on business performance.

xi. The human resource manager must be closely involved at management level where business plan is formulated and information obtained about the direction of the business. Anyim (2015) buttresses the foregoing point by stating that the human resource manager will be in a position to make contributions at an early stage about the manpower implications concerning the business plan and strategy. In other words, the personnel involved in human resource planning, should sit at the business table so as to enable them participate fully in the business planning process.

xii. There should be suitable working conditions, good and enticing remuneration package offer by the organization in order to attract and retain the right people, in the right place, and at the right time.

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