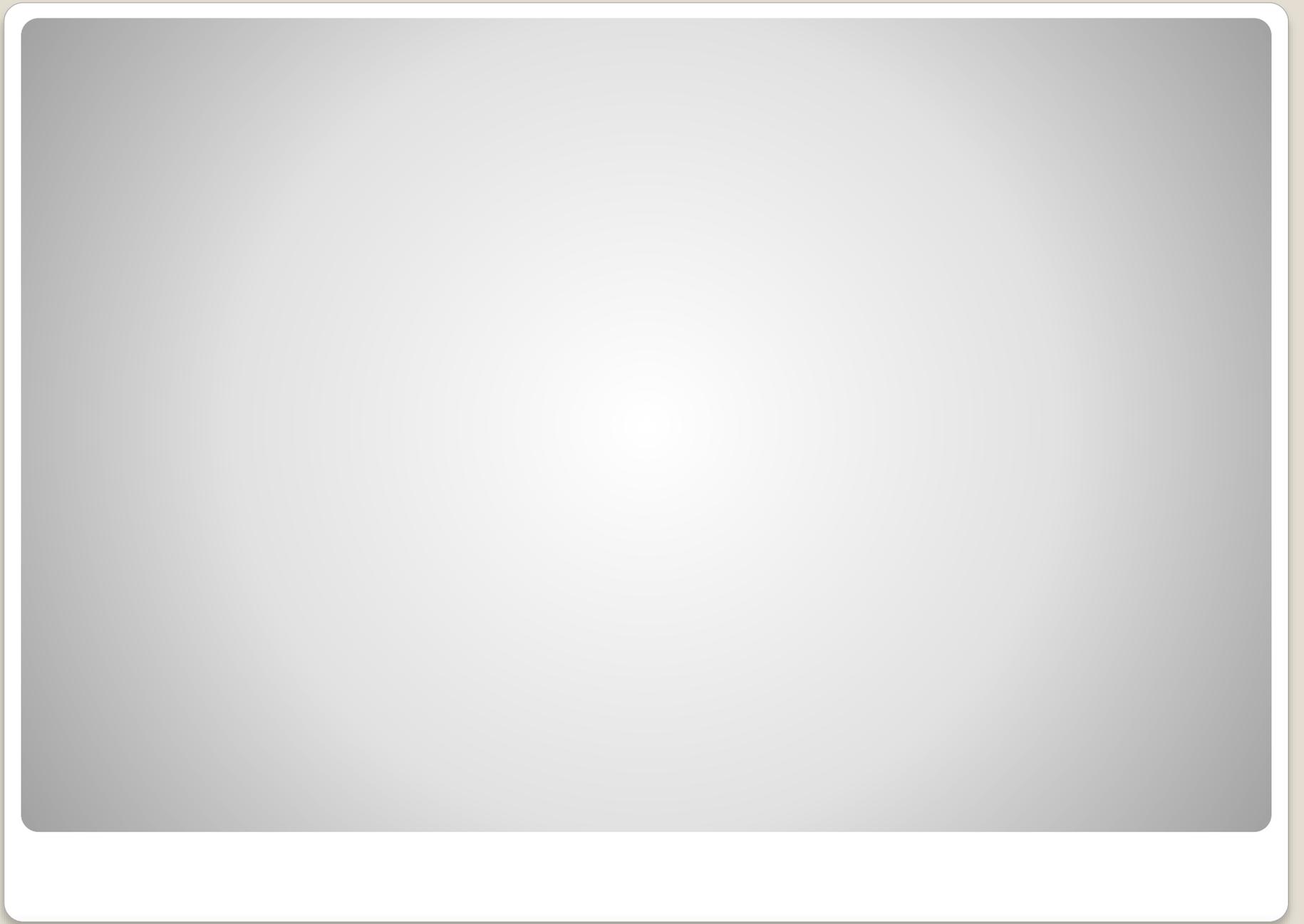


# Strategic Human Resource Management

AC 2.3



**Develop a human  
resources plan for an  
organization**

- Future Manpower Needs
- Coping with change
- Recruitment of talented individuals
- Development of human resources
- Proper utilization of human resources
- Development of human resources
- Proper utilization of human resources
- Uncertainty reduction

(Accountlearning.blogspot.com, 2013)

## **Purpose of Human Resource Planning**

- Good HR planning helps to:
  - Reduce risks
  - Ensure that there is adequate and competent staff
  - Achieve productivity
  - Boost and maintain employee morale  
(Simon, n.d.)

## Outcomes of HR Planning

# How to create a human resources plan?

## Pre-Plan

- Consider the time frame (short, medium or long term)
  - The necessary information needed and identify the sources
  - Ensure that all relevant stakeholders are involved
1. Situation Analysis
  2. Forecasting Demand
  3. Forecasting Supply
  4. Action Plans

## 1. Situation Analysis

- Conduct a thorough study of external factors affecting the organization
- These factors include: economic conditions, the political/legislative atmosphere, competitive climate, market condition, industry outlook, and trends in technology
- It is important to conduct this step, as “environmental scanning” helps to identify threats the organization faces and opportunities to seize and exploit.

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## 2. Internal Analysis

- This deals with the corporate culture, competencies of employees, and workforce composition by location in terms of workers with general knowledge vs. specific skills, contract labour and those whose skills don't relate to the organization's strategy/

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### 3. Forecasting Demand

- Forecasting encompasses labour demand and supply predictions to indicate any surplus or shortage that the HR plan should address.
- Demand estimates must consider the objectives of the organization, the departments goals, budgets, historic turnover, absenteeism, retirement and attrition rates.

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- A small organization will use the qualitative method to forecast demand, when it doesn't have sufficient or no historical data, rather than crunch statistics.
- The qualitative method takes advantage of management expertise, intuition and prior experience to assess future employment needs

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#### 4. Forecasting Supply

- The supply estimates based on labour market characteristics such as unemployment rate, demographic trends, government regulations, education levels and worker mobility.
- Small organizations should consult local, state and government agencies as sources of information if national and international data is not relevant to their situation.

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## 5. Action Plans

- The last step, which compares the current workforce inventory with the labour forecasts.
- This is where gaps that are related to skills, position types and workforce size are addressed with action plans based on organizational structure, employee development, succession planning, outsourcing, recruitment and technology strategies.
- (Brunot, n.d.)

**Creating a Human Resource Plan**

- Look at and discuss the Case studies in the Guide on Developing a HR plan

**Activity**

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**Additional Reading**

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## References