

- Participates in strategic planning and leadership
- Analyzes employee performance for decision-making
- Ensures compliance with labor laws and regulations
- Builds teamwork and manages organizational development

Changing Landscape of HRM

- Management recognizes that **productive and committed employees** are key to competitive advantage
- HRM practices are directly linked to **company success** in local and global markets
- Employee values must adapt to **technological changes**
- Companies must **attract, train, develop, and retain talent**
- Bureaucratic systems should be reduced to encourage **innovation and creativity**
- **Theory Y and Theory Z** values should be promoted to empower employees
- Cooperation should replace workplace divisiveness
- Productivity must be matched with **fair compensation**
- These are the **new challenges of HRM** in achieving profitability and national development
 - HRM is now a **source of competitive advantage**
 - Focus on employee empowerment (Theory Y & Z)
 - Productivity must be matched with fair compensation

👉 **Employees are assets, not expenses.**

Human Resource Planning (HRP)

- **Human Resource Planning (HRP)** is the process of making sure an organization has **the right number of people, with the right skills, at the right time.**
- It **matches available employees (internal and external) with future job needs** of the organization.

In simple terms:

👉 HRP ensures that a company is never understaffed or overstaffed.

👉 HRP is now recognized as a **very important part of Human Resource Management**, not just "lip service."

What is Strategic Planning?

- Determining the organization's **purpose, goals, and how to achieve them**
- HR is a key part, affecting **productivity and performance**
- HR Strategic Planning **translates strategies into specific HR plans**
- **Determines the total manpower needed** to execute plans

Two Key Components of HR Planning

1. Requirement (manpower demand)

Answers the question: *How many employees do we need and what skills should they have?*

Factors considered:

- Production plans
- Technology changes
- Productivity levels

Sources of manpower:


- **Internal** – promotions, transfers, reassignment
- **External** – hiring from outside the organization

2. Availability (Manpower Supply)

Answers the question: *Do we have enough people or not?*

Possible situations:

- **Surplus** → reduce workforce (early retirement, reduced hours, layoffs)
- **Shortage** → hire externally after checking internal options

 HRP must be **continuous** because conditions change.

Aspects of Human Resource Planning

1. Systematic Forecasting

- planning manpower needs based on business conditions

2. Performance Management

- monitoring employee and organizational performance

3. **Career Management**
 - helping employees grow and develop
4. **Management Development**
 - preparing managers for future leadership roles

Advantages of Human Resource Planning

HRP helps an organization:

1. Achieve goals efficiently
2. Identify manpower needs early
3. Develop employees properly
4. Place employees in jobs suited to their skills
5. Attract and retain qualified workers

Five Steps in Human Resource Planning

1. Determine Workload Inputs based on the corporate goals and objectives

- Identify the kind and amount of work needed to achieve corporate goals.
- Consider business development and assumptions, corporate plans, economic forecasts, changes in products, new product lines, and mergers and consolidations

2. Studying the jobs in the company and writing the job description and job specifications

3. Forecast Manpower Needs

- Determine number and type of employees needed
- Done both quantitatively and qualitatively

4. Manpower Inventory

- Assess current employees' skills, strengths, weaknesses, and career goals
- Match employees with future job requirements

The net result of this operation is that you either find:

- Enough manpower
- Excess no. Of manpower but lacking skills require
- No. of available insufficient manpower and skills

5. Improvement Plans

- Plan actions to have the right people in the right jobs.
- This includes training, development programs, career planning, succession planning, and management development.

Planning Techniques in HR Management

1. **Skills Inventory**
 - listing employees' skills
 - requires detailed information of the experience and training of every individual in the organization.
2. **Ratio Analysis**
 - ensuring promotions don't create vacancies
 - technique wherein the personnel who are promotable to the higher positions are identified together with their backup or understudy.
3. **Cascade Approach**
 - objectives flow from top to bottom
 - objectives of the rank and file get included in the blueprint for action.
4. **Replacement Approach**
 - ready replacements for each position
 - This approach calls for year-round acceptance of applications for possible replacements.
5. **Commitment Planning**
 - involving supervisors and employees
 - units thus become conscious of their needs and aware of the ways the human resource requirements can be met.
6. **Succession Planning**
 - preparing future leaders
 - Known as successor planning takes into consideration the different components of the old plan and increase them

Common Weaknesses in HRP

1. **Over-Planning**
 - Trying to cover too many personnel aspects too early can make the plan fail.
2. **Technique Overload**

- Using too many methods can create excess data that is not effectively applied.
- 3. **Bias for the Quantitative**
 - Focusing only on numbers may ignore important qualitative factors.
- 4. **Isolation of Planners**
 - Lack of support from top management weakens HRP implementation.
- 5. **Isolation from Organizational Objectives**
 - Plans made for HR alone may not align with overall company goals.
- 6. **Lack of Line Supervisors' Input**
 - Feedback from supervisors is crucial since they manage employees directly.

Four Basic Terms in Manpower Forecasting

1. **Long-Term Trend**
 - Forecasting for 5 years or more, based on company operations and customer demand.
2. **Cyclical Variations**
 - Predictable changes over 1–5 years due to economy, politics, or social factors.
3. **Seasonal Variations**
 - Changes within a year; for seasonal products requiring temporary workers (e.g., Christmas)
4. **Random Variations**
 - Unpredictable changes; hire temporary workers to avoid overstaffing.

Human Resource Forecasting Techniques

1. **Zero-Base Forecasting**
 - Starts with current employment levels to determine future staffing based on organizational structure and market demand.
2. **Bottom-Up Approach**
 - Aggregates forecasts from lower-level units, starting with current employees and adjusting for operational growth.
3. **Predictor Variables**

- Uses past employment and factors like sales volume to predict future staffing needs through regression analysis.

4. **Simulation**

- Tests alternatives using mathematical models to help HR managers make informed decisions before acting.

Important Elements of Strategic HR Planning

1. **Organizational Goals** (first element)

- HR planning must align with strategic goals using reliable data on sales, market trends, technology, and productivity.

2. **HR Forecast** (second element)

- Predict future HR needs based on business strategies, production plans, technology changes, and historical trends.

3. **Employee Information** (third element)

- Maintain accurate data on workforce composition, skills, education, experience, and career interests.

4. **HR Availability Projections** (fourth element)

- Estimate current and future workforce size and composition considering turnover, retirement, promotions, and hiring trends.

5. **Analyzing HR Gaps** (fifth element)

- Compare HR needs vs. availability to identify skill shortages, mismatches, turnover issues, and career obsolescence.

These help management answer:

- Are there shortages or surpluses?
- Are skills becoming obsolete?
- Are turnover problems present?

Strategy Evaluation and Control

This involves:

- Monitoring HR strategies
- Revising plans when problems arise
- Ensuring HR contributes to competitive advantage

HR's Role in Competitive Advantage

HR can provide strategic competitive advantage in two ways:

1. Emergent Strategies

- Develop from lower-level employees' ideas and frontline insights; HR ensures these are organized and usable.
- They allow the organization to adapt quickly to unexpected opportunities and challenges.

2. Intended Strategies

- Planned by top management to align goals, policies, and actions; HR develops systems to support implementation.
- They provide a clear roadmap for achieving long-term objectives and consistent decision-making

Human Resource Information System

- HRIS is any organized approach to obtaining relevant and timely information on which to base human resource decisions.
- An effective HRIS is crucial to sound human resource decision-making.
- It is designed to provide information that is - SMART.

HRIS provides SMART information:

1. Systematic

- Information should be well-organized and complete.

1. Management-Oriented

- Data supports manpower planning, retention, development, and separation.

1. Applicable

- Only relevant, updated information should guide HR decisions.

1. Result-Oriented

- Decisions must benefit both management and employees, improving productivity and satisfaction.

1. Time-Bound

- Timely information is crucial for effective HR decision-making.

Types of HRIS Reports:

1. **Routine Reports**
 - Regular summaries of manpower, payroll, and employee status.
2. **Exception Reports**
 - Confidential info for managerial decisions, like rule violations or urgent issues.
3. **On-Demand Reports**
 - Requested analyses on performance, productivity, or personnel actions.
4. **Manpower Forecast**
 - Predicts staffing needs based on demand, seasonality, or business changes.

Software Applications for HRM

1. Staffing Applications

- Tools for recruiting, tracking applicants, DOLE reporting, building employee databases, and aiding staffing decisions.

2. Human Resource Planning Applications

- Company-specific tools to manage employee turnover, promotions, and workforce needs, including:
 - **Workforce Profile Analysis**
 - Examines labor supply and demand.
 - **Workforce Dynamic Analysis**
 - Tracks hires, transfers, promotions, and future staffing gaps.
 - **HR Planning for Decision-Making**
 - Monitors retirements, job classifications, and skill gaps.
 - **Performance Management**
 - Stores ratings, disciplinary actions, and productivity data.
 - **Training & Development**
 - Tracks training needs, skills, courses, and career planning.
 - **Compensation & Benefits**
 - Manages payroll, salaries, job evaluation, and employee benefits.