

ST. MARY'S UNIVERSITY COLLEGE  
BUSINESS FACULTY  
DEPARTMENT OF MANEGMENT

AN ASSESSMENT OF HUMAN RESOURCE  
PLANING PRACTICE IN AGGAR MICRO  
FINANCE SHARE COMPANY IN ADDIS ABABA

BY  
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SMUC  
ADDIS ABABA

AN ASSESSMENT OF HUMAN RESOURCE  
PLANING PRACTICE IN AGGAR MICRO  
FINANCE SHARE COMPANY IN ADDIS ABABA

A SINOER ESSAY SUBMITTED  
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BY: MESETET KUMSSA

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ST. MARY'S UNIVERSITY COLLEGE  
FACULTY OF BUSINESS  
DEPARTMENT OF MANAGMENT

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# Appendices

Appendixes A  
St. Mary's University College  
Faculty of Business  
Department of Management

Questionnaires to be filed by employees

Dear Respondants:

This questionnaire is prepared to conduct a survey study for the fulfillment of the requirement of the Bachelor degree in management. The specific objective of the questionnaire is to collect necessary and relevant information about the practices and problems of Human resource planning practice in your organization. I, here by, in depth forward my appreciation and thanks for you are nominated as candidate to take your precious time and abundant effort in completing the questionnaires shown below.

**General Instruction**

You are kindly requested to put a “✓” mark in the box provided in front of each alternative answer for each question; write your opinion and justification on the space provided for each questions.

**Part I**

**Personal Data**

1. Age Classification  
a. 21-30     b. 31-40     c. 41-50     d. 51-60     e. Above 60
2. Gender  
a. Female                       b. Male
3. Work Experience  
a. Below 3 years     b. 5-10 years     c. 11-15     d. Above 15 years
4. Level of Education  
a. Diploma     b. 1<sup>st</sup> Degree     c. Masters     e. PHD
5. Category of work  
a. Professional and high-level Supervisors     c. Technical and Skilled   
b. Administrative, Semi-professional and clerical

**Part II**

**General Question**

6. Does the company prepare Human resource planning?  
a. Yes                       b. No
7. If No, why \_\_\_\_\_  
\_\_\_\_\_
8. Does the management give more attention to human recourse planning preparation and Implementation?  
a. Yes                       b. No
9. If your response to question 13 is "No" please state your reasons \_\_\_\_\_  
\_\_\_\_\_
10. Is there a clear human resource planning method and procedures in the company?  
a. Yes                       b. No
11. What type of human resource planning is used in Aggar Micro Finance S.C?  
a. Short term human resource planning                       c. Both of them   
b. Long term human resource plannin                       d. Do not know   
e. If any other \_\_\_\_\_
12. What method does the HRM use to handle its work?  
a. Manual                       b. Computerized                       c. Combination   
d. If any other Specify \_\_\_\_\_
13. Does the company operate or use new technology?  
a. Yes                       b. No
14. Do you believe that new technologies are affecting the work environment?  
a. Yes                       No
15. Have you got enough training related to your job?  
a. Yes                       b. No

16. Does the company practice a proper and effective human resource planning?

- a. Agree       b. Disagree       c. strongly agree   
d. Strongly Disagree       e. Neutral

17. Does the company assess the current resource, such as people skill, interest, ability and experiences?

- a. Agree       b. Disagree       c. strongly agree   
d. Strongly Disagree       e. Neutral

18. Does the company make job analysis and design to ensure the right people in the right job?

- a. Agree       b. Disagree       c. strongly agree   
d. Strongly Disagree       e. Neutral

19. How is the staff turnover rate of the Company?

- a. High       b. Medium       c. Low

20. How is the manpower utilization of the Company?

- a. Effective       b. Ineffective

21. What do you think a reason for your choice for Question "20"? \_\_\_\_\_  
\_\_\_\_\_

22. In which department the turnover rate is high?

- a. Accounting       b. Legal Service       c. Operation   
d. Personnel       e. Admin and Finance

23. Why the staff turnover rate is high in the specified department? \_\_\_\_\_  
\_\_\_\_\_

Appendix B  
St. Mary's University College  
Faculty of Business  
Department of Management

Interview Guide

Dear Respondants:

This Interview is prepared to conduct a survey study for the fulfillment of the requirement of the Bachelor degree in management. The specific objective of the Interview is to collect necessary and relevant information about the practices and problems of Human resource planning practice in your organization. I, here by, in depth forward my appreciation and thanks for you are nominated as candidate to take your precious time and abundant effort in completing the Interview shown below.

1. How do you evaluate the annual human resource planning of the unit?
2. What problems do you observe in your division or services in relation to the human resource planning and allocation?
3. What are the problems faced exercising Human resource planning in the company?
4. Do you agree with the reason for employee turnover are less salary and lack of good management?

If your answer is Yes what is your proposed solution?

If no who is responsible?

5. What measure is taken so far to minimize employees turnover in this Company?

## **The Advisor's Approval**

This senior Research paper has been submitted for examination with my approval as an advisor

Name: \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

## **DECLARATION**

I, the undersigned, declare that this senior research is my original work, prepared under the guidance of Yihune Abate. All source of material used to the manuscript have been duly acknowledged.

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Place of Submission: St.Mary's University College  
Department of Management  
Addis Ababa

Date of Submission: \_\_\_\_\_



# **Chapter One**

## **Introduction**

### **1.1 Background of the Study**

Human resources should be considered as a significant organizational asset. In this context, the application of the appropriate strategies for its development can lead to the improvement of the corporate performance both in the short and long term (Mathews, 1998). However, there are also Companies where human resources are not considered as having particular importance for the firm's growth (Haines, 1997). In this context supported that there are firms that "view their human resources as an expense rather than an asset, an element that is expendable and perhaps discarded when the skills possessed becomes obsolete; however when human resources are viewed as an asset, Companies enhance individual value through training and human development and ensure continued contribution to the organization" (Ramlall, 2003).

Workforce inventory and planning is an integral part of human resources planning. It is where the greatest amount of energy is usually spent because it is the most quantitative part of the planning activity. People who view workforce planning as being the total work of Human Resource planning define human resources planning as "planning for the corporation so as to have right numbers of people at the right time, at the right place and with the right skill (Dessler, 1984).

For any business success human resource planning and tool development are necessary. Human resource planning that is necessary to success is: to become a part of the business and operations planning teams; and to automate the collection, processing and analysis and evaluating of quantitative data.

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 evaluating and implementing programs to improve employee performance to increase employee satisfaction and involvement in order to increase organizational productivity, quality, or Innovation (Mills, 1985B). Finally human resources planning include gathering data that can be used to evaluate the effectiveness of ongoing programs and inform planners when revisions in their forecasting and programs are needed.

Aggar Micro Finance S.C. is the first commercial private Aggar Micro Finance S.C. established by private shareholders and started operation in April 2004. It is a profit making saving and credit institution organized to render financial services to potential entrepreneurs who have no access to conventional banks.

The general assembly of four hundred forty three (443) shareholders who own Aggar Micro Finance S.C. is supreme administrative organ of the company and runs it through seven elected Board of Directors. The management of the company is also an administrative organ responsible to run the day-to-day activities next to the Board of Directors. Under this body there are also departments and branches (Sub-Branches), Operations department, Administration and Finance department, Personal Department Law Department and Five branch offices (Two Sub-Branch offices are being added recently). In the previous Aggar Micro Finance S.C. has worked with out being operationally sustainable. (AMFSC's Prospectus, P.1)

## **1.2. Statement of the Problem**

Managing people is a great challenge at any organizational levels. Thus, human resource management is very important in line with organizational goals achievement.

Companies that do not follow good human resource planning practice are forced to react to situations instead of taking charge of them. For instance, a company that doesn't have a good grasp on what it takes to manage human resource 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 some one who could do the job (Burack and Elmer, 1985).

Using good strategies to get the right person and give him/her incentives to stay and do a good job will give the company better talent and higher retention, thereby lowering costs and creating a better atmosphere of morale within the company.

Based on the above theoretical framework the student researcher tried the human resource planning practice that has been done by Aggar Micro Finance S.C through preliminary observation. The problem includes shortage of qualified workers, high staff turnover of personnel in particular occupation like loan officer and accountants there is a serious problem of loan portfolio of the company and ineffective utilization of manpower. In doing so, the effort of the paper revolves around seeking response for the above problem.

## **1.3. Research questions**

1. What new technologies are operating, and how are affecting the human recourse planning practice?
2. What are the methods and procedures used during annual manpower planning?
3. Why the employee turnover rate is increasing?

## **1.4. Objective of the Study**

### **1.4.1. General Objective**

To assess human resource planning practice in Aggar Micro Finance S.C. and suggest possible solutions for the existing problem.

### **1.4.2. Specific Objective**

- To assess factors affecting the company human resource planning.
- To assess methods and procedures of annual manpower planning.
- To assess employee turnover of the organization.

## **1.5. Significance of the Study**

The researcher was conducted hoping that it could be used for three basic purposes. The first is that it could possible be used as an input for Aggar Micro Finance S.C. to re-assess its human recourse planning practice and the information on human recourse planning can be used to modify the human recourse planning currently in use. In addition it could be also used by other organizations as a reference from which they can get some information on how to improve their human resource planning practice. Third as it sheds some light on the effect of managing the human resource part in organizational performance, it can be used as a starting point for further studies and also add to the body of knowledge. Beside this the researchers gain the knowledge of research.

## **1.6. Delimitation of the Study**

Human resource planning is one of the core issues of human resource management and this study focuses only on three years performance of Aggar Micro Finance S.C in relation to Human resource planning practice of Head office. However, data from different sources could be used for assessment purpose. And the study shall not include activities performed when Aggar was under formation and activities of other departments as well

## **1.7. Operational Terms**

- **Aggar Micro Finance S.C:** - The act of providing financial and related services to low-income clients including the self employed. (AMFSC's Prospectus, P.1).

## **1.8. Research Design and Methodology**

### **1.8.1 Research Design**

Descriptive research method is used because it helps to describe the collected quantitative data on the human resource planning practices of the Aggar Micro Finance S.C.

### **1.8.2. Population and Sampling Techniques**

The study population size is employees and managers at different levels of the Company. The total population is 120 out of which 60 (50%) is taken as the sample of the study. The reason for the student researcher to take 50% as a sample size is that it helps the researcher to get reliable information and to draw essential conclusion and recommendation.

The sampling technique used is stratified random sampling. These insure inclusion from each level and makes members at same level same chance of being selected for the sample.

### **1.8.3. Types of Data to be Collected**

The student researcher collect the data both primary and secondary source of data. The primary data were gathered from employee and managers; structured interview and open ended, close ended questions were used.

The secondary data were collected by reviewing personnel manuals, Annual Report of the organization, books, internet, etc.

### **1.8.4. Method of Data Collection**

Questionnaires were distributed to employees. The questionnaire was open ended as well as close ended. In addition interview was conducted with top management since they are few in number and to save their time.

### **1.8.5. Data Analysis Method**

Data collected as per the method stated here in above shall be demonstrated and analyzed by descriptive technique using graphs, percentage and tables.

## **1.9. Organization of the study**

The research report contains four chapters. The first chapter includes background of the study, Statement of the problem, Research questions, and objective of the study, significant of the study, scope of the study, research design and methodology and organization of the study. The second chapter deals with review of the related literature. The third chapters discuss data presentation analysis and interpretation. The last chapter consists of summery, conclusion and recommendation. Besides, list of bibliography questionnaires, and interview questions list were attached as appendixes.

## **CHAPTER TWO**

### **REVIEW OF RELATED LITERATURE**

#### **Introduction**

This chapter focuses on the concept and empirical frame work of the study and defines terminologies including the related works and assessment of human resource planning practice from other researcher and books. Definition of human resource planning, significant of HRP, characteristics of human resource planning and process in human resource planning are the main discussion topics of this chapter

#### **2.1. Definition of Human Resource Planning**

Human recourse planning is understood as the process of forecasting an organization's future demand for, and supply of the right type of people in the right number. (K Aswathappa, 2004:53)

Human resource planning is a sub-system in the total organizational planning that includes managerial activities that set company's objectives for the future and determine the appropriate means for achieving those objectives by providing the right type and the right number of personnel. (Mirza S Saiyadin, 2004:48)

Human resource planning is the estimation of how many qualified people are necessary to carry out the assigned activities, how many be done to ensure that personnel supply equals personnel demand at the appropriate point in the future. (Delery and Doty, 1996).

Human resource planning is the process by which an organization ensures that it has the right number and kind of people at the right place at the right time capable of effectively and efficiently completing those tasks that will help the organization achieve its over all objectives.

Human resource management is a managerial perspective with theoretical and perspective dimensions, which argues for the need to establish an

integrated series of personnel policies consistent with organization strategy, thus ensuring quality of working life, high commitment and performance from employees, and organizational effectiveness and competitive advantage. (Huczynski and Buchanan, 2001).

Human resource management process consists of five basic functions that is planning, organizing, staffing, leading, and controlling. Human Resources Management refers to the practices and policies you need to carry out the people or personnel aspects of your management job. The scope or activities of the Human Resource Management refers to the practices and policies you need to carry out the people and personnel aspects of your management job. These include, conducting job analyses (determining the nature of each employee's job), planning labour needs and recruiting job candidates, selecting job candidates, orientating and training new employees, managing wages and salaries (determining how to compensate employees), Providing incentives and benefits, appraisal performance, communicating (interviewing, counseling, disciplining), Training and developing, building employees commitment and also the consideration of equal opportunity and affirmative action, employee health and safety, Grievances and labour relation. (Gary Desler, 2000).

## **2.2. Need for Human Resource Planning**

Human resource planning is necessary for all organizations for one or the other of the following reasons:

- To carry on its work, each organization needs personnel with the necessary qualifications, skills knowledge, work experience and skill for work. These are provided through effective manpower planning.
- Since a large number of persons have to be replaced who have grown old or who retire, die or become incapacitated because of physical or mental ailments, there is a constant need for replacing such personnel. Otherwise, the work would suffer.



- Human recourse planning is essential because of frequent labour turnover which is unavoidable and even beneficial because it arises from factors which are socially and economically sound such as voluntary quits, discharges, marriage, promotions, or factors such as seasonal and cyclical fluctuations in business which causes a constant ebb and flow in the workforce in many organizations.
- In order to meet the needs of expansion programmes human resource planning is unavoidable (it becomes necessary due to increase in the demand for goods and services with growing population, a rising standard of living-larger quantities of the same goods and services are required.
- The nature of the present workforce in relation to its changing needs also necessitates the recruitment of new labour. To meet the challenge of a new and changing technology and new techniques of production, existing employees need to be trained or new blood injected in an organization.
- Manpower planning is also needed in order to identify areas of surplus personnel or areas in which there is an shortage of personnel. If there is a surplus, it can be redeployed; and if there is shortage, it may be made good. (C.B.Manoria S.V.Gankar 2004:156)

### **2.2.1. Benefits**

A clear human resource development plan can include benefits like:

- A highlighting for strategic partnerships that allow communities and other partners to share the benefits, risks and training costs.
- Providing for the small successes that are encouraging and motivating for the community and can show funders, community members and others that the program is on track.
- Making it easier to evaluate progress especially from feedback from clients) and present fenders, partners, and community members with effective information about that progress.

## **Major challenges**

- A very real to see results makes planning seem wasteful of time, diverting efforts from doing. Impatience with planning is always a challenge.
- Public expectations may be unrealistic, looking for jobs as an immediate outcome.
- Careful assessment may turn up more human resource development needs than the projected or existing resource and funding can handle, and this may require excruciating choices.
- Like all plans, a human resource plan 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.

### **2.3. Some Practical Steps HRP**

1. Before planning begins there needs to be a number of conditions that will make the planning effective: an understanding that the planning process is indeed an essential part of organized skill building; the necessary resources to carry out an effective planning process; support, commitment, and participation from relevant sectors of the community. Perhaps most important, an overall community plan must be in place as a context for the human resource component of that plan.
2. If necessary to get the process started, hire a consultant who will help the responsible committee to organize its work.
3. An assessment and analysis phase should be undertaken to identify the gaps between the current and desired skill/ knowledge base, as well as the current and future job opportunities. The identified gaps will be analyzed as those that are most critical to the overall community development plan and should be among the first to be addressed in the longer future.

4. Form the data of the preceding phase, goals should be set describing and prioritizing the steps to be taken that will ensure that training sequences occurs in a logical order. This involves drafting specific objectives and indicators of success.
5. Evaluation should be built into the plan, using both measurable data (quantitative) and peoples' perceptions or judgments (qualitative information). Aside from all the other benefits of being able to know what progress has or has not occurred, the evaluation gives community members the chance to give voice to their reactions. To encourage community commitment and involvement keep people informed of your progress. The message should be clear, positive, and answer questions that community members may have. The means of communication can vary depending up on your community, such as news paper articles, word of mouth, town hall meetings etc(Flo Frank and Anne smith1994).

#### **2.4. A Model for Describing Human Resource Planning**

Human resource planning has four phase: (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 21<sup>st</sup> 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.

### **2.4.2. 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.

## **2.5. Characteristic of Human resource planning**

The characteristic features of HRP as a new model for managing people are as stated below:

- It stresses the importance of gaining commitment to the organization's mission and values- it is 'commitment-oriented'.
- It emphasizes the need for strategic fit- the integration of business and HR strategic.
- It is a top-management driven activity.
- The performance and delivery of HRM is a line management responsibility.
- It contributes in measurable ways to the creation and maintenance competitive advantage, and the focus is on adding value, especially for shareholders.
- It involves the adoption of a comprehensive and coherent approach to the provision of mutually supporting employment policies and practices, for instance the development of integrated HR policies and practices (configuration or bundling).
- Importance is attached to strong cultures and values.
- It is performance-oriented, emphasizing the need for ever-higher levels of achievement to meet new challenges.
- Organizing principles are elastically and decentralized with flexible roles, a focus on process (how things are done, especially across traditional organizational boundaries), and more concern for teamwork- flexibility and teambuilding are important.
- There is strong emphasis on the delivery of quality to customers and the achievement of high levels of customer satisfaction

- Rewards are differentiated according to performance, competence, contribution or skill. (Michael Armstrong, 2000).

## **2.6. Human resource planning**

*Human Resource Planning: an Introduction* was written to draw these issues to the attention of HR or line managers. We address such questions as:

- What is human resource planning?
- How do organizations undertake this sort of exercise?
- What specific uses does it have?

In dealing with the last point we need to be able to say to hard pressed managers: why spend time on this activity rather than the other issues bulging your in tray? The report tries to meet this need by illustrating how human resource planning techniques can be applied to four key problems. It then concludes by considering the circumstance in which human resourcing can be used. (Reilly p.1996:132)

### **2.6.1 Determining the numbers to be employed at a new location**

If organizations overdo the size of their workforce, it will carry surplus or underutilized staff. Alternatively, if the opposite misjudgment is made, staff may be overstretched, making it hard or impossible to meet production or service deadlines at the quality level expected. So the questions we ask are:

- How can output be improved your through understanding the interrelation between productivity, work organization and technological development? What does this mean for staff numbers?
- What techniques can be used to establish workforce requirements?
- Have more flexible work arrangements been considered?
- How are the staffs you need to be acquired?

The principles can be applied to any exercise to define workforce requirements, whether it be a business start-up, a relocation, or the opening of new factory or office.

### **2.6.2. Retaining your highly skilled staff**

Issues about retention may not have been to the fore in recent years, but all it needs is for organizations to lose key staff to realize that an understanding of the pattern of resignation is needed. Thus organizations should:

- Monitor the extent of resignation;
- Discover the reasons for it;
- Establish what it is costing the organization;
- Compare loss rates with other similar organizations.

Without this understanding, management may be unaware of how many good quality staff are being lost. This will cost the organization directly through the bill for separation, recruitment and induction, but also through a loss of long-term capability.

Having understood the nature and extent of resignation steps can be taken to rectify the situation. These may be relatively cheap and simple solutions once the reasons for the departure of employees have been identified. But it will depend on whether the problem is peculiar to your own organisation, and whether it is concentrated in particular groups (eg by age, gender, grade or skill).

### **2.6.3. Managing an Effective Downsizing Programme**

This is an all too common issue for managers. How is the workforce to be cut painlessly, while at the same time protecting the long-term interests of the organization? A question made all the harder by the time pressures



management is under, both because of business necessities and employee anxieties. HRP helps by considering:

- The sort of workforce envisaged at the end of the exercise
- The pros and cons of the different routes to get there
- How the nature and extent of wastage will change during the run-down
- The utility of retraining, redeployment and transfers
- What the appropriate recruitment levels might be.

Such analysis can be presented to senior managers so that the cost benefit of various methods of reduction can be assessed, and the time taken to meet targets established.

If instead the CEO announces on day one that there will be no compulsory redundancies and voluntary severance is open to all staff, the danger is that an unbalanced workforce will result, reflecting the take-up of the severance offer. It is often difficult and expensive to replace lost quality and experience.

#### **2.6.4. Where will the next generation of managers come from?**

Many senior managers are troubled by this issue. They have seen traditional career paths disappear. They have had to bring in senior staff from elsewhere. But they recognise that while this may have dealt with a short-term skills shortage, it has not solved the longer term question of managerial supply: what sort, how many, and where will they come from? To address these questions you need to understand:

- The present career system (including patterns of promotion and movement, of recruitment and wastage)
- The characteristics of those who currently occupy senior positions
- The organization's future supply of talent.

This then can be compared with future requirements, in number and type. These will of course be affected by internal structural changes and external business or political changes. Comparing your current supply to this revised demand will show surpluses and shortages which will allow you to take corrective action such as:

- Recruiting to meet a shortage of those with senior management potential
- Allowing faster promotion to fill immediate gaps
- Developing cross functional transfers for high fliers
- Hiring on fixed-term contracts to meet short-term skills/experience deficits
- Reducing staff numbers to remove blockages or forthcoming surpluses.

Thus appropriate recruitment, deployment and severance policies can be pursued to meet business needs. Otherwise processes are likely to be haphazard and inconsistent. The wrong sorts of staff are engaged at the wrong time on the wrong contract. It is expensive and embarrassing to put such matters right. (Reilly p.1996:132)

## **2.7. How can HRP be applied?**

The report details the sort of approach companies might wish to take. Most organizations are likely to want HRP systems:

- Which are responsive to change
- Where assumptions can easily be modified
- That recognize organizational fluidity around skills
- That allow flexibility in supply to be included
- That are simple to understand and use
- Which are not too time demanding.

To operate such systems organizations need:

- Appropriate demand models
- Good monitoring and corrective action processes
- Comprehensive data about current employees and the external labour market
- An understanding how resourcing works in the organization.

If human resource planning techniques are ignored, decisions will still be taken, but without the benefit of understanding their implications. Graduate recruitment numbers will be set in ignorance of demand, or management succession problems will develop unnoticed.

As George Bernard Shaw said: 'to be in hell is to drift; to be in heaven is to steer'. It is surely better if decision makers follow this maxim in the way they make and execute resourcing plans. (Reilly p.1996:132)

## **2.8. Important of Human Resource planning**

Clary states the important of manpower planning. However, in order to highlight the important of Human Resource planning we out line its role on the following lines:

### **2.8.1 Future personnel Needs**

Planning is significant as it helps determine future personnel need surplus or deficiency in staff strength is the result of the absence of or defective planning. All public sector enterprises find them selves overstated now as they never hand any planning of their personnel requirements.

### **2.8.2. Coping with change**

Human Resource planning enables and enterprise to cope with changes in competitive for forces, markets, technology, products, and government regulation and number and type of personnel shortage of people may be noticed in some areas while surplus in other areas may occur.

### **2.8.3. Increasing investment in Human Resource**

Human Resource planning is the investment an organization makes in its Human resource assets, as opposed to physical assets, can increase in value. An employee who gradually develop his/her skills and abilities because a more valuable resource. Because and organization makes investment in its personnel either through direct training or job assignments, it is important that employees are used affectively throughout their careers.

### **2.8.4. Resistance to change and move**

There is growing resistance among employees to change and move. There is also a growing emphasis on. Self-evaluation and on evaluation of loyalty and dedication to the organization. All these change are making it more difficult for the organization to assume that it can move its employee around any where and anytime it wants, thus increasing the importance and necessity of planning ahead.

### **2.8.5. Foundation for personnel function**

Manpower planning provides essential information for designing and implementing personnel functions, such as recruitment, selection, personnel movement (transfer promotions, layoff) and training and development (Reilly p.1996:132)

## **2.9. Factors Affecting Human Resource Planning**

Human resource planning is influenced by several considerations. The more important of them are:

- Type and strategy of the organization
- Environmental uncertainties
- Time horizons,

- Type and quality of forecasting information
- Nature of jobs being filled and
- Off loading the work

### **2.9.1. Type and Strategy of Organization**

The type of organization is an important consideration because it determines the production process involved number and type of staff needed, and the supervisory and managerial personnel required. The strategy plan of the organization defines the organization Human Resource need.

Primarily, the organization decides either to be proactive or reactive in Human Resource Planning. It can simply react to needs as they arise. Human resource needs better helps ensure that the organization obtains the right number of human resource people with proper skill and competencies when they are needed.

Similarly, the organization must determine the breadth of the plan. Essentially the organization can choose a narrow focus by planning in only one or two HR are such as recruitment and selection, or it can choose a broad focus by planning in all areas including training, remuneration and so on.

### **2.9.2. Environmental Uncertainties**

HR managers rarely have the privilege of operating in a stable and predictable environment. Political, social and economic changes affect all organization. Personnel planners deal with environmental uncertainties by carefully formulating recruitment, selection and training development polices and programmers. Balancing mechanisms are built into the HRM program through succession planning promotion channels layoffs, flexi time, job sharing retirement, upgrade other personnel related arrangements.

### **2.9.3. Time Horizons**

Yet another major factors affecting personnel planning is the time horizon. On one hand, there are short-term plans spanning six months to one year. On the other hand there are long-term plans which spread over three to twenty years. The exact time span however depends on the degree of uncertainty prevailing in an organization environment.

### **2.9.4. Types and quality of information**

The information used to forecast personnel needs originates from a multitude of sources. A major issue in personnel planning is the type of information which should be used in making forecasts.

### **2.9.5. Nature of jobs being filled**

Personnel planners must consider the nature of jobs being filled in the organization. Job vacancies arise because of separations, promotions and expansion strategies. It is easy to employ shop-floor workers but a lot of sourcing is necessary for hiring managerial personnel.

### **2.9.6. Off-Loading the Work**

Several organizations off-load their work to outside parties either in the form of sub-contracting or ancillarisation off loading is a regular feature both in the public sector as well as in the private sector. Most organizations have surplus labor and they do not want to worsen the problem by hiring more people. Hence, the need for off loading.

## **2.10. The Human Recourse Planning Process**

Human Resource Planning essentially involves forecasting personnel need assessing personnel supply and matching demand supply factors through personnel-related programs. The planning process is influenced by overall organizational objectives and environment of business.

## **The planning process**

HRP is a five steps process. These steps are:-

1. Defining organizational objectives and policies
2. Forecasting of personnel needs and supplies
3. HR programming
4. HRP implementation
5. Control and evaluation of programs

### **2.10.1 Organizational objectives and policies**

HRP need to be based on organizational objective in practice, this implies that the objectives of the HRP must be derived from organizational objectives. Specific requirements in terms of number and characteristics of employee should be derived from the organization objectives.

### **2.10.2. Forecasting of personnel needs and Supplies**

Human resource demand forecast is the process of estimating the future quantity and quality of people required. The basis of the forecasting and department.

Demand forecasting must consider several factors both external as well as internal. Among the external factors is competition (foreign and domestic), Laws and regulatory bodies, changes in technology and social factors. Internal factors include budget constraint, production levels, new products and services, organizational structure and employee separation. Demand forecasting is common among organizations through they may not do personnel-supply forecasting.

There are several good reasons to conduct demand forecasting. It can help:-

1. Quantify the jobs necessary for producing a given number of goods or offering a given amount of services.
2. Determine what staff-mix is desirable in the future.

3. Assess appropriate staffing levels in different parts of the organization so as to avoid unnecessary cost.
4. Prevent shortage of people where and when they are needed most
5. Monitor compliance with legal requirements with regard to reservation of jobs.

### **2.10.3 Human Resource Programming**

Once an organization personnel demand and supply are forecasted, the two must be reconciled or balanced in order that vacancies can be filled by the right employee at the right time. HR programming the third step in the planning process.

### **2.10.4. HRP Implementation**

Implementation requires converting an HRP into action. A series of action programs are initiated as a part of HR plan implementation, some such programs are recruitment selection and placement training and development, retaining and development, the retention plan, the redundancy plan and the succession plan.

### **2.10.5 Control and Evaluation of Programs**

Control and evaluation represents the fifth and final phase in the HRP process. The HR plan should include budgets, targets and standards. It should also clarify responsibilities for implementation and control and establish reporting procedures which will enable achievements to be monitored against the plan.

## **2.11 Requisites for Successful HRP**

There are at least eight prerequisites for successful HRP;

1. HRP must be recognized as an integral part of organization planning. The planner of human resource must therefore, be aware of the corporate organization objectives.



2. Backing of top management for HRP is absolutely essential.
3. HRP responsibilities should be centralized in order to coordinate consultation between different management levels.
4. Personal records must be complete, up-to date and readily available.
5. The time horizon of the plan must be long enough to permit any remedial action.
6. The technique of planning should be the best suited to the data available and the degree of accuracy required.
7. Plans should be prepared by skill levels rather than by aggregates.
8. Data collection, Analysis, techniques of planning and the plans themselves need to be constantly revised and improved in the light of experience.

## **CHAPTER THREE**

### **DATA PRESENTATION, ANALYSI AND INTERPRETATION**

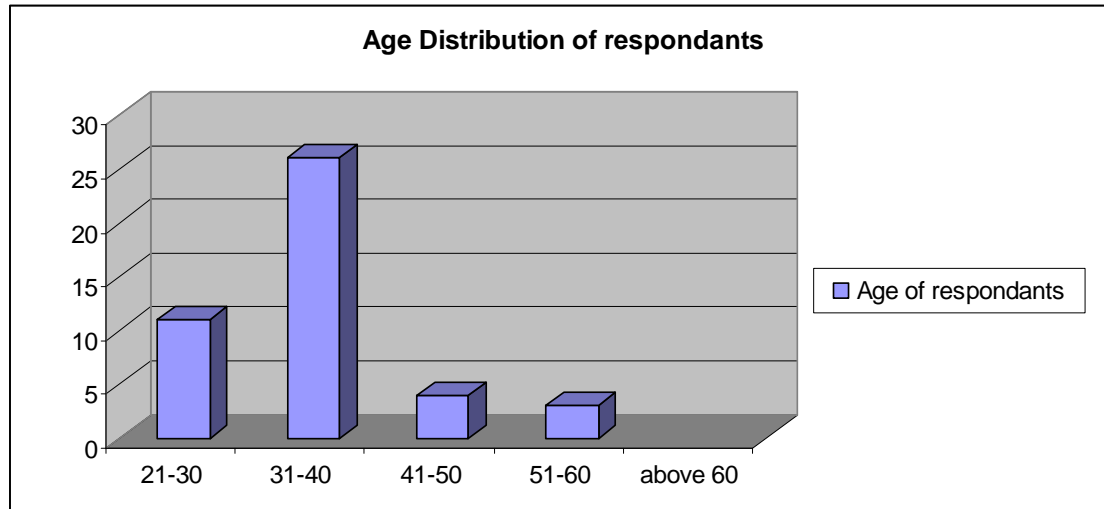
In this chapter the researcher organized and summarized the data gathered from 44 respondents in a clarified and meaningful manner, with the help of charts and tables. Charts contain full information about respondents as a supportive data. Whereas the tables are linked with the responsibilities of displaying the respondent's response on the research question. The result of the response depicted in each table is analyzed and interpreted using descriptive methods.

As shown in the research methodology section of the introductory part, the sample sizes under consideration are 60 staff members. The questioners are distributed to 60 respondents of the Aggar Micro Finance S.C staffs in different levels. A great deal of effort was made to collect all questioners on time, but only 44 out of 60 questioners have been collected.

#### **3.1. General Characteristics of Respondents**

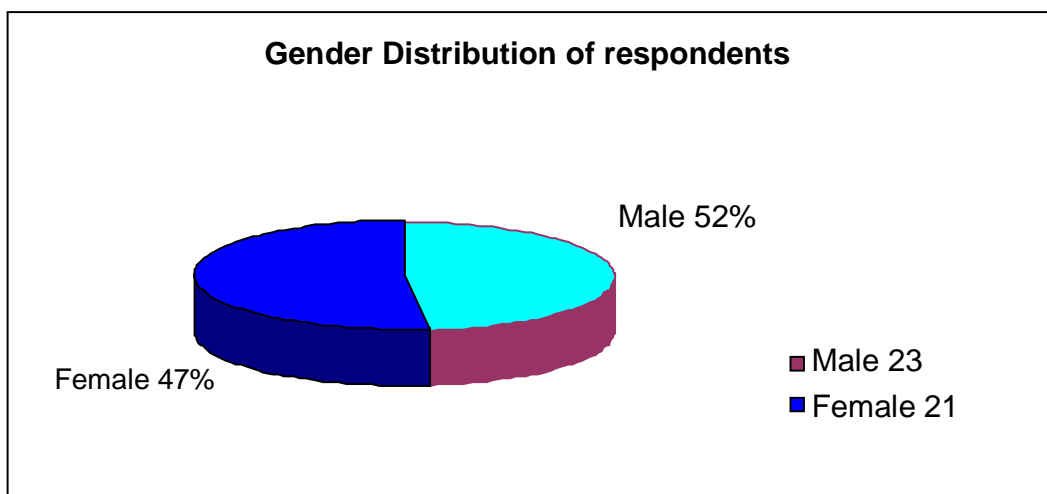
The respondents were requested to mention their age, sex, level of education work experience and work distribution, they responded as presented in the following chart and table.

**Chart 1. Age profile of Respondents**



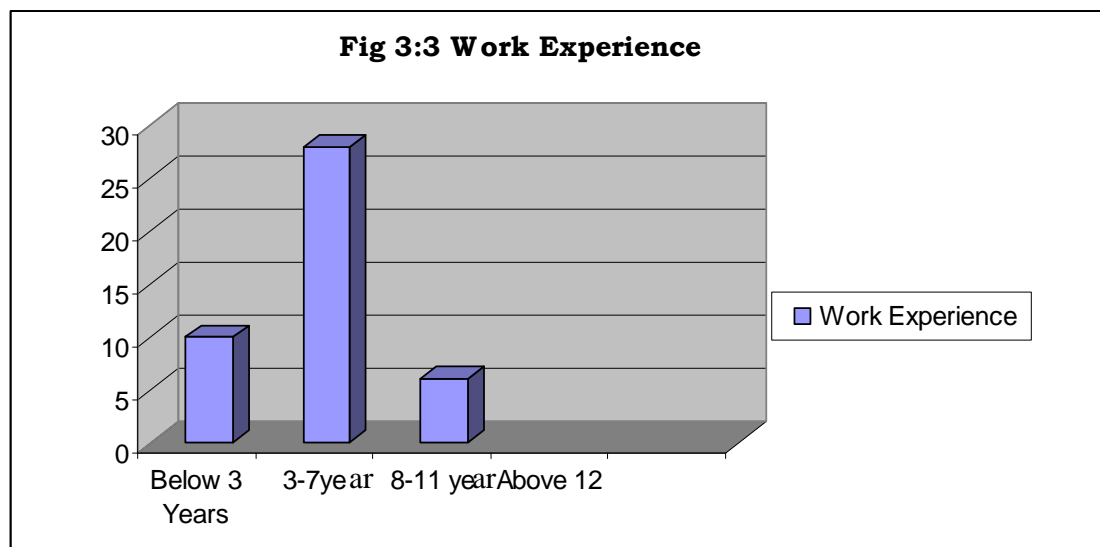
The age of respondents varied from 21-60 years. The sample was grouped into four age classes. From the total number of respondents 26(59%) respondent's ages categorize between 31-40 years, following up would be 11(25 %) between 21-30 years, 4(9.09 %) ranging between 41-50 and finally 3(7%) from the ages 51-60 years, the ages level may affect individual personal and commercial encounter or experience that may help in providing a better understanding of the industry and in better position in giving much precise answer required the questionnaires form.

**Chart 2 Gender profile of Respondents**



Most of the respondents are male staffs. They cover 23(52%) of the respondent number and the rest 21(47%) are female's staffs.

**Chart 3 Work Experience of respondents**



Among the respondents, 28(63.63%) between 3-7 years work experience and 12(27.27) below 3 years work experience and the rest 6(13.63%) employees are 8-11 year work experience. The staffs richness in working experience their strong loyalty to Aggar micro finance s.c. when educational background is taken in to consideration some position like human resource planning.

**Table 1. Educational level of Respondents**

No	ITEM	No of Non-supervisory	No. of Non-Supervisory (%)	No of supervisory	Supervisory (%)
	<b>Educational Status</b>				
4	a. PHD	-	-	-	-
	b. Masters	-	-	1	2
	c. 1 <sup>st</sup> Degree	32	73	6	14
	d. Diploma	5	11		
<b>Total</b>		<b>37</b>	<b>84</b>	<b>7</b>	<b>16</b>

With regard to educational level **Table 1 Item 4**, displays that the majority of respondents were non-supervisor, 37(84%) are degree and Diploma

holders. And respondents of supervisors who have a Master and Degree are 7(16%). To generalize majority of the staffs are first degree and diploma holder.

**Table 2. Category of Respondent with respective work distribution**

No	Item	No. of respondent	Percentage %
	<b>Category of Work</b>		
5	a. Supervisors	6	14
	b. Loan Officer	17	39
	c. Accountant	13	30
	d. Negerfeje	2	5
	e. Secretary	2	5
	f. Casher	4	9
<b>Total</b>		<b>44</b>	<b>100</b>

From **Table 2** item 5, the nature of the Micro finance industry most of day-to-day activates is done through the clerical staffs. From the questioner which have been distributed among them Loan officer, casher and accountants are 34(77.27%) the other staffs holds 10(22.72%) this group is also the most active participant of the Company.

### 3.2. Human resource planning Preparation

A human resource plan can be a simple or complex document. The overall or compressive, human resource plan is usually developed by specialized staff in either the personnel or planning department. The plan requires approval by manager of the company and concurrency by both line management and financial staff, since the unity will affect the unit's finical performance within the frame work of the compressive planning, the line manager will be responsible of several short term plans. To implement the plan, the line management will need authority to make short term adjustments to meet operating requirement.

**Table 3. Human Resource Planning Preparation**

No	Item	No.of Respondents	Percentage %
6	Does the company prepare Human resource planning		
	a. Yes	44	100
	b. No	-	-
	<b>Total</b>	<b>44</b>	<b>100</b>

As can be seen on **Table 3**, Item 6, all respondents 44(100%) indicated that the company prepare human resource planning. This implies that, there is no human resource preparation problem with the organization. Human resources planning are necessary for all organization to achieve its objectives.

**Table 4. Preparation and Implementation of HRP**

No	Item	No.of Respondents	Percentage (%)
7	Does the management give more attention for preparation and Implementation of human resource planning		
	a. Yes	10	22.72
	b. No	34	77.27
	<b>Total</b>	<b>44</b>	<b>100</b>

As can be seen on **Table 4**, Item 7, 34(77.2%) respondents agreed on the proper attention, the management does not give to the human resource planning preparation and implementation. In contrast 10(23%) of them underlined on the fact that the management should give more attention to the human resource planning preparation and implementation process. Based on the Majority response show that, management were not proper attention to human resource planning preparation and implementation.

**Table 5. Preparation and Implementation of HRP**

No	Item	No.of Respondents	Percentage (%)
8	Is there a clear human recourse planning policy in the organization		
	a. Yes	32	73
	b. No	12	27
	<b>Total</b>	<b>44</b>	<b>100</b>

From **Table 5 Item 8**, observed that the organization has a clear human resource planning policy. This is witnessed by 32(73%) of the respondents; the rest 12(27%) of the respondents on the other had there is no clear human recourse policy in the organization. Therefore, we can conclude from the table that there is a clear human resource policy in an organization but there is a problem of practicing this policy. However, practicing of the policy greatly help employees in making optimum use of available resource and ability to achieving their need and organizational objective.

**Table 6. Feature of Human Resource Planning**

No	Item	No.of Respondents	Percentage (%)
9	What is the feature of human resource planning in Aggar Micro Finace S.C		
	a. Short Term human resource planning	22	50
	b. Long term human resource planning	14	32
	c. Both	8	18
	d. Don't Know	-	-
<b>Total</b>		<b>44</b>	<b>100</b>

**Table 6, Item 9** indicates that 22 (50%) of the respondents said that the features of human resource planning in Aggar is Short term human

resource planning while 14(32%) of the respondents said that long term human resource planning and the remaining 8(18%) and the rest says, both short and long term human resource planning. This implies that the evaluation department of Aggar has short and long term human resource planning. The short term plan is associated with the human resource requirement of manpower within a year where as long term human resource planning focuses of plan more than a year and include in link of future expansion of the organization.

**Table 7. Method in Human Resource Management**

No	Item	No.of Respondents	Percentage (%)
10	What method does the HRM use to handle its work		
	a. Manual	26	59.09
	b. Computerized	12	27.27
	c. Both	6	14
	<b>Total</b>	<b>44</b>	<b>100</b>

From **Table 7** Item 10, Item 10, observed that 26 (59.09%) of the respondents said that the human resource management was handled its work by Manual. While 12 (27.27) said that the human resource management handle its work by computerized system. But 6(14%) reflects is both systems were used to handle the work. All employees of the organization have personal files maintained in human resource department. This department has 2 staffs that is working manually day to day activates of filling and recording personnel information of 120 employees. The manually done activates were recording and updating personal files, issuing letters, staff ID card, reporting staff turnover report Semi annually and annually. But the work would be more effective if we used computerized system.



**Table 8. Operate of New technologies**

No	Item	No of Respondents	Percentage (%)
11	Does the Company operate or use new technologies		
	a. Yes	26	59.09 %
	b. No	18	41%
<b>Total</b>		<b>44</b>	<b>100</b>

As can be seen on **Table 8**, Item 11, 26(59.09%) agreed on the company operate new technologies and in contrast 18 (41%) disagreed that company not use new technologies.

**Table 9 . New Technologies affect the work**

No	Item	No of Respondents	Percentage (%)
12	Do you believe that new technologies affect the work environment		
	a. Yes	30	68.18%
	b. No	14	31.8%
<b>Total</b>		<b>44</b>	<b>100</b>

On Table 9, 30(68%) of respondents agreed on technologies had impact on the work environment but 14(31.8) opposed those idea with raising the point that lack of training, durability of the technology and not have effectiveness and compatibility of the technology. This shows that the company has poor training experience to new technologies

**Table 10 Training related to Job**

No	Item	No of Respondents	Percentage (%)
13	Have you got enough training related to your Job		
	Yes	27	61%
	No	17	39%
<b>Total</b>		<b>44</b>	<b>100</b>

**On Table 10,** 27(61%) of the respondents said that we get enough training related to job but 17(39%) do not have any of such trainings related to work.

It shows that the company made training related to job. Prepare job related training program for employees is one of the most important and motivating tool for employees. Its encourage employee to work effectively and efficiently so as to achieve organizational goals and objectives.

**Table 11 Practice in HRP**

No	Item	No.of Respondents	Percentage (%)
	Aggar Micro finance has proper and effective human resource planning.		
14	a. Strongly Agree		
	b. Agree	15	34.07
	c. Neutral	-	-
	d. Disagree	19	43.18
	e. Strongly Disagree	10	22.72
<b>Total</b>		44	100

Based on **Table 11,** result as analysis quote that most respondents 19(43.18%) believe that there is no proper human resource planning, 15(34.07) said that there is proper human recourse planning, 10(22.72) the rest 10(22.72) strongly disagree with the statement that there is no proper and effective organization human resource planning.

These factors to look into during Human resource planning implement. Proper and effective human resource planning being common practices would help in generating positive impact towards routine in term of company execution, improving managerial and organizational competencies, enhancing personal growth, improving technical performance and innovativeness and business performance, and finally would be the overall team performance and interfaces.

**Table 12 Assessment of Skill interest and ability**

No	Item	No.of Respondents	Percentage (%)
	Does the Company asses current resource such as people skill, interest and ability and experiences		
15	a. Strongly Agree	17	39
	b. Agree	23	52
	c. Neutral	-	0
	d. Disagree	2	5
	e. Strongly Disagree	2	5
<b>Total</b>		44	100

**On Table 12,** The great numbers of respondents agree 23(52%) and strongly agree 17(39%) to determine that it is necessary to assess the existence and current resource people, skill interest abilities and experience issue in human resource planning. There are only minimum respondents with 2(5%) and 2(5%) Less agree and Disagree about the fact.

**Table 13 Job Analysis and Design**

No	Item	No.of Respondents	Percentage (%)
	Does the Company makes job analysis and design to ensure that right people in the right job		
16	a. Strongly Agree	21	48
	b. Agree	23	52
	c. Neutral	-	-
	d. Disagree	-	-
	e. Strongly Disagree	-	-
<b>Total</b>		44	100

**On Table 13,** Indicated that the major factors of job analysis and design believe to be having agreeable 23(52%) and strongly agreed rated is 21(48%).

Job analysis and design is very important for employee it is identified and determines the work arrangement and determine in detail the particular job duties.

**Table 14 Staff Turnover Rate**

No	Item	No.of Respondents	Percentage (%)
17	How is the staff turnover rate of the company		
	a. High	36	82
	b. Medium	6	14
	c. Low	2	5
<b>Total</b>		<b>44</b>	<b>100</b>

**Table 14:** Shows that 36 (82% of the respondents have indicated employee turnover is high 14% rate medium and 5% is low. This shows how much the turnover in the company is severe. The respondents answered Question (21) reasoning that high turnover is high because of low salary payment, Management problem and work over load. From the data observed that Low salary payment contributed the highest cause of employee turnover compared to the other factors. The managers want to give more emphasis to the proposed plan said that they will be take measure to minimize employees turnover in the company by increasing salary scale.

**Table 15. Manpower utilization**

No	Item	No of Respondents	Percentage (%)
18	How is the manpower utilization of the Company		
	a. Effective	21	48%
	b. Ineffective	23	52%
<b>Total</b>		<b>44</b>	<b>100</b>

**Table 15:** This data shows that manpower utilization 23 (52%) says that ineffective manpower utilization and 21(48%) is said that there is effective manpower utilization. Manpower utilization needed to identify areas of surplus personnel or areas on which there is an shortage personnel and it helps to achieve organizational goal and objective the company used its effective manpower utilization properly and effectively.

**Table 16. The Highest turnover rate**

No	Item	No.of Respondents	Percentage (%)
	In which department the turnover rate is high		
19	a. Finance Department	16	36
	b. Operation	24	55
	c. Personnel	1	2
	d. Legal service	3	7
	<b>Total No of respondents</b>	44	100

**Table16:** This data shows that, there is high turnover rate in Operation department (55%) and Finance Department (36%).The existence of high turnover rate in these two department shows that a serious problem of loan portfolio of the company and the organization is at risk. Therefore, the management should take necessary action for his problem.

## **CHAPTER FOUR**

### **SUMMARY, CONCLUSION AND RECOMMENDATION**

The aim of the study is to assess the Human resource planning practice of Aggar Micro Finance S.C. to accomplish this study some related literatures were revised, and relevant information was collected through questionnaire and interview. The data obtained were presented, analyzed, interpreted and depicted by using descriptive statistical method. Based on the analysis the following summaries of findings are prepared, conclusions are made and recommendations are forwarded.

#### 4.1. Summary of Findings

- The findings show that, male and female are proportional. This indicates that, there are no gender discriminations in the company.
- The findings show that majority of respondents are degree and Diploma graduates and 3 to 7 years work experience. This data indicate that majority of respondents have better know-how and adequate work experience
- In this analysis it is founded that 100% of the respondents agreed on the fact that Aggar Micro finance prepares Human resource planning. Human resources planning is necessary for the organization to achieve its objectives by providing the right number of people at the right time and at the right place.
- According to the analysis 77.2 % of the respondents' implied that, the management does not give appropriate attention to human resource planning preparation and Implementation. But Implementation requires converting a human resource plan in to action.
- In this analysis it is founded that 73% of the respondents implied that, there is a clear human resource planning policy in the

organization. Practicing of the policy greatly help employees in making optimum use of available resource and ability in achieving their need and organizational objective.

- According to the analysis, 50% of the respondents implied that, the features of human resource planning in Aggar are Short term. The short term plan is associated with routine issues like filling current vacant posts, staff promotion, salary increment and etc. Whereas long term human resource planning focuses on strategic issues like staff development and promotion acquiring new technologies and solving marketing problems to attain overall goal of the company in general.
- In this analysis it is founded that 59.09% of the respondents agreed that, Aggar Micro Finance Human resource Management use to handle its work by Manual. The manually done activates were recording and updating personal files, issuing letters, staff ID card, reporting staff turnover report Semi annually and annually.
- According to the analysis, 68.18% of the respondents agreed on the fact that, new technologies affect the work Environment. Raising the point that lack of training, durability of the technology not have of effectiveness and compatibility of the technology. This shows that the company has poor training experience to new technologies.
- According to the analysis, 61% of the respondents agreed on the fact that employee got enough training related to their Job. Prepare job related training program for employees is one of the most important and motivating tool to employees. Job related training encourages employees to work effectively and efficiently so as to achieve organizational goals and objectives.
- In this analysis it is founded that 52% of the respondents implied that, the company makes job analysis and design to the right people

in the right job. Job analysis and design is very important for employees. It identifies and determines the work arrangement and determines in detail the particular job duties.

- According to the analysis, 52% of the respondents agreed on the fact that Ineffective manpower utilization. Manpower utilization needed to identify areas of surplus personnel or areas on which there is a shortage personnel and it helps to achieve organizational goal and objective the company used its effective manpower utilization properly and effectively.
- According to the analysis, it is founded that 82% According to the study most of the respondents agreed that staff turnover rate is high in the company. There is high turnover of employees. It because of low salary payment, Management problem and work over load. From the data observed that Low salary payment contributed the highest cause of employee turnover compared to the other factors.



## **4.2. CONCLUSION**

The main objective of this research is to find out the strength and weakness of Human Resource Planning preparation, allocation & implementation and also to find out the problem related with human resource planning of Aggar Micro Finance S.C. Depending on the interpretation of primary data and secondary data, the researcher drew on the following conclusions.

- The findings show that the company has got problem in human resource planning preparation and implementation of the plan. As a result, the company's strategic problems like technology, manpower utilization and staff dissatisfaction issues were not solved.
- The findings show that the Human Resource Planning of the company based itself on short term or routine issues. As a result of this the plan did not help the company to attain its mission, vision and goal.
- According to the research findings, the company hardly uses new technologies. This brings work Burdon on employees so that employee turnover rate is high in the Company
- Finally most respondents agreed that Human Resource Planning must base itself on problem solving and new technology acquisition so as to improve company's performance, managerial and organizational competencies enhance personnel growth and attain overall goal of the Company.

### **4.3. RECOMMENDATION**

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:

- Having prepared human resource planning for the company is good and also implementing those established criteria's is very essential for the success of the company.
- The Company designing Human resource planning based on strategic objectives is mandatory so as to attain the company's mission vision and objectives.
- The company has to recognize the source of complexity, mainly shortage of human resources, in the operating environment and need to adjust their planning process and procedures to contain the effects. These calls for proactive leaders and qualified planning coordinators.
- Participating employees in preparing human resource planning is very useful so that everyone should consider him/her self part of the plan. As a result institutional belongingness and productivity will increase.
- As employees come from varied backgrounds and exposures, therefore, need to be assimilated in to the culture practice of the company. They ought to be acquainted with policies, procedures, aims and objectives of the company through training and retraining.
- So as to ease work Burdon of employees, the company should utilize any possible means to obtain MIS software.

- In order to solve the problem of staff dissatisfaction and employee turnover, the management has to design incentive packages, good working environment, and participatory management system and periodically revise salary and other benefits in order to make salary scale competitive and attractive.