



**ST.MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**FACTORS AFFECTING HUMAN  
RESOURCE PLANNING IN NEHAM  
INTERNATIONAL PLC**

**BY**

**NETSANET HAILE**

**Jan, 2019**

**ADDIS ABABA, ETHIOPIA**

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**THESIS SUBMITTED TO ST.MARY'S UNIVERSITY SCHOOL  
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**APPROVED BY BOARD OF EXAMINERS**

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## DECLARATION

I, declare that this thesis is my original work, prepared under the guidance of Solomon Markos (PhD). All sources of material used for the thesis have been duly acknowledged. I further confirm that the thesis has not been submitted either in part or in full to any other higher learning institution for the purpose of earning any degree.

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Name

**St.Mary's University, Addis Ababa**

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signature

**January, 2019**

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## ACRONYMS

**HR:** Human Resource

**HRP:** Human Resource Planning

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## ABSTRACT

*The main objective of the study was to determine the factors that affect human resource planning in Neham International Plc. The three research questions that guided the research were what are the practice of human resource planning, what are the internal factors affecting human resource planning and what are the external factors affecting human resource planning in Neham International Plc. The population under the study included the employees and the deputy manager of Neham International Plc. In the study non-probability sampling design, quantitative and qualitative research approaches particularly descriptive sample survey were used. Out of 200 employees in the company a total of 100 respondents were selected from all departments through convenience non-random sampling method. The findings of the study show that HRP was not conducted properly only department managers are involved in the process. The finding also indicates importance of HRP was not understood and implemented in the company. In addition to this both internal and external factors have an impact on HRP in Neham International plc. The external factors are technology and government policies. Organizational structure, attrition rate and budget are the internal factors that affect human resource planning in Neham International Plc. Therefore it is recommended that the company should understand the importance of HRP and during developing HRP the company should take in to consideration both the internal and external factors which can affect HRP.*

**Key words:** Factors affecting HRP, Internal factors, External factors, Neham International Plc

# CHAPTER ONE

## INTRODUCTION

### 1.1 Background of the study

Global competition, rapid technological advancement, and dramatically shifting demographics are challenges encouraging public and private organizations to consider people as their most valuable resource Miracle (2004). Human Resource Planning (HRP) is a core process that ensures an organization prepares for its current and future needs by having the right people in the right place at the right time Jacobson (2010). HRP allows the building of long-term capacity to meet workforce needs and overcome challenges Choudhury (2007). If an organization is effective in the development and implementation of its Human Resource Management (HRM) plan, it will be able to better utilize human capital in order to achieve its strategic objectives.

Although people's understanding of Human Resource Planning (HRP) differs, the general objective is how to use scarce talents in an effective way in the interest of work and organization. Human Resource Planning may be seen in its entirety as an effort to anticipate the future of the organization and to provide personnel to fulfill that organization and to satisfy customer's demand.

Healthy human resources management not only ensures a motivating and stimulating working environment, but also mobilizes personnel to attain organizational objectives. In addition, such healthy resources is maximizing employees' commitment and ensuring their compliance with the organizational mission. The success of companies relies largely on the ability of companies to conserve, optimize and increase the knowledge of their personnel. Employee's expertise and ideas significantly increase the value of the company and constitute major assets for the organization. Companies that are fully aware of the value of their personnel, and that invest in their development are often those that are most successful in terms of overall performance. Human resource is one of the most important resources than any other resource for the achievement of organization's objectives to be competent in the dynamic environment and to Overcome various threats retaining quality human resource which is very essential for the company.

Human resource planning determines the human resources required by the organization to achieve its strategic goals. HRP is the process for ensuring that human resource requirements of

an organization are identified and plans are made for satisfying those requirements Bulla and Scott (1994). It addresses human resource needs both in quantitative and qualitative terms i.e. the number and the sort of people. HRP also looks at broader issues relating to the way in which people are employed and developed in order to improve organizational effectiveness.

According to Armstrong (1996) HRP combines three basic activities namely recruiting the right number of people with satisfactory skills, their appropriate motivation to perform and building links between the company goals and planning.

HRP is concerned with broader issues about the employment of people than the traditional quantitative approaches of man power planning Armstrong (1996). According to Liff (2000) a rational top down view of planning in which well tested quantitative techniques are applied to long term assessment of supply and demand. There has been a shift from reconciling numbers of employees available with predictable stable jobs, towards a greater concern with skills, their development and deployment.

HRP takes place within the context of the organization according to Armstrong(1996) the extent to which it is used and the approach adopted, will be contingent on the extent to which management recognizes that success depends on forecasting future people requirements' and implementing plans to satisfy those requirements. He believes that the approach will also be affected by the degree to which it is possible to make accurate forecasts. Organization operating in turbulent environments in which future activity levels are difficult to predict may rely on ad hoc and short term measure to recruit and keep people.

## **1.2 Description of the Study Area**

Neham International Plc has taken the same way of establishment as a privately owned company engaged in distributing cement products to the end-users and wholesaler by partnering with the cement manufacturing factories like Dangote ,mugger and mesebo cement and moves into new development of expansion by widening up the transportation and machinery rental services, import and export etc. The Company delivered to government agencies and private construction and agri-businesses in delivering its effective and diligent services to the sector. The Company has five departments i.e. finance directorate, administrative and logistic transport operational and technical directorate, business trade and sales department directorate, import and export division and engineering department

### **1.3. Statement of the Problem**

Human resource planning plays a significant role in the day to day running of the company. It is one of the key elements for a company success. But there are different factors that affect the process of human resource planning in the organization. The factors could be internal or external factors.

Several studies have established various factors that affect human resource planning Macharia, (2016) in his research which was conducted on Kenya insurance identified that technology, organization structure, attrition rate, availability of scarce and critical resources and government policy are the factors that affect the human resource planning in Kenya insurance firms.

Mwemezi (2011) conducted a research on challenges facing on human resource succession planning in Tanzania public and private organization in Dare Salaam region and identified lack of awareness among the majority of stakeholders, lack of effective company vision, lack of willingness among the senior employees in carrying out succession plans and increasing tight labor markets was raised to be some of the challenges facing human resource succession planning.

Alwashi (2016) a research conducted in Ministry of education in the sultanate of Oman identified HRP practice in the MOE is influence by both external and internal factors. The external factors were government policies, the legal context, the labor market and the economy, while the internal factors included organization structure and culture.

By conducting preliminary interview with the deputy general manager of the company it is found that in Neham international plc both external and internal factors affect HRP, internally: attrition rate, organizational structure, budget and externally technology and government policies are the major ones.

In Neham International PLC human resource planning is conducted annually which is revised quarterly by logistic and administrative department and by the deputy general manager. The Planning is conducted based on the report collected from each department. The company gives priority for departments which need technical skilled employees like mechanics, drivers and so on. Because the core process of the company needs mainly technical skilled employees.

Despite the fact that many studies has been carried out on the assessment of factors affecting human resource planning practice there is no prior study conducted in this organization related to factors affecting human resource planning. In addition to these recent studies which have been undertaken on this title focus on the general practice of human resource planning of a certain

organization and they also try to assess the factors that affect human resource planning process. But this paper focus mainly on the factors that affect human resource planning because the researcher believes that identifying factors affecting human resource planning process is the core point and help the organization to give emphasis to those factors at the time when human resource planning is conducted. Thus, the existence of these factors motivates the researcher to conduct this study on the assessment of factors affecting the human resource planning in Neham international PLC.

The study was conducted through determining factors affecting human resource in Neham International , investigating the external factors affecting panning of effective use of human resource of the selected organization and assess the practice of HR planning .

Generally, the main focus of the study was determining the factors affecting human resource planning in Neham International Plc.

#### **1.4. Research Questions**

In the course of the study the following researchable questions are developed:-

1. What are practices of human resource planning in Neham International Plc?
2. What are internal factors affecting human resource planning of Neham International Plc?
3. What are external factors affecting human resource planning of Neham International Plc?

#### **1.5. Objective of the Study**

##### ***1.5.1 General Objective of the Study***

The general objective of the study was to determine factors affecting human resource planning of Neham International Plc.

##### **1.5.2 Specific Objectives of the Study**

Having the above mentioned general objective, the study had three specific objectives as mentioned below.

- To assess practices of human resource planning in Neham International Plc.
- To identify the internal factors affecting human resource planning of Neham International Plc.
- To identify the external factors affecting human resource planning of Neham International Plc.

#### **1.6. Significance of the Study**

The study investigated factors affecting human resource planning of Neham International Plc; human resource planning plays a significant role in the day to day activities of a company. It is one of the key elements for success. Unfortunately, there are internal and external factors

affecting human resource planning therefore, this study identified the gaps so that the findings of the research contribute a lot for different stakeholders.

More specifically, it is believed that the results of the study have the following significances:

- ♣ **For Neham International Plc:** the primary significance of this study was paramount importance to Neham International Plc since it was carried out on the organization and identify factors affecting human resource planning practice. Therefore, Neham International Plc might be able to see its human resource planning practice and learn some lessons and build.
- ♣ **For other stakeholders:** this study may be helpful to other Organizations, who might have directly or indirectly participate in the human resource planning and management practices.
- ♣ **Finally, for other researchers:** this study was an attempt to give insight to other fellow researchers for their extensive investigation of the field.

### **1.7. Scope of the Study**

The scope of this study was limited to Neham International Plc. The study didn't cover all factors that affect HRP. It focuses on Internal as well as External factors affecting human resource planning of the selected company: Internally: attrition rate, organizational structure and budget and externally technology and government policies.

### **1.8. Organization of the Study**

In determining factors affecting human resource planning of Neham International Plc the study organized in to five chapters. Chapter one consist of background of the study, statement of the problem, basic research questions, objectives of the study, significances of the study, scopes of the study, and organization of the study. Chapter two discussed literature reviews depend on concepts related to human resource, internal factors affecting human resource planning, external factors affecting human resource planning and theoretical and empirical review written by different authors and found from other sources.

Chapter three consists of methodology. Chapter four has data analysis and presentation, the last Chapter includes the findings of the study, conclusions of the study, limitation of the study and a recommendation based on the findings of the study result.



## CHAPTER TWO

### LITERATURE REVIEW

#### 2.1 The concept of HRP

Traditionally manpower planning has attempted to reconcile an organization need for human resource with the available supply of labor in the local and national labor market. In essence manpower planners initially seek to estimate their current and future employment needs.

Human resource is considered the most volatile and potentially unpredictable resource which an organization utilizes. If an organization fails to place and direct human resource in the right areas of business at the right time and at the right cost serious inefficiencies are likely to arise creating considerable operational difficulties and likely business failure. Smith (1971)

In the current pursuit of human resource management many organization appear to be practicing human resource planning as opposed to manpower planning.

Human resource planning is defined by different authors;-

According to Milkovich and Boudreau (1997) human resource planning is the process of collecting and using information on the base of which it can be discussed the amount of resource spent on personal activities.

To koubek (2007) personnel planning serves to achieve the goals of the organization by development prediction, setting the targets and realizing arrangements leading to current and future ensure of business tasks with adequate manpower.

To casico (1992) human resource planning can be defined as effort to anticipate future business and environmental demands on an organization and to provide the employees to fulfill that business and satisfy those demands.

HRP is a process in which an organization attempts to estimate the demand for labour and evaluate the size, nature and source of the supply which will be required to meet that demand peter (1996).

Vetter (1967) defined human resource planning as the process by which management determines how the organization should move from its desired position. Through planning, management strives to have the right number and the right kinds of people, at the right places at the right time.

According to Nair (2004) human resource planning is a process striking balance between human resources requires and acquired in an organization. In other words, human resource is a process By which an organization determines how it should acquire its desired manpower to achieve its organizational goals.

As Abraham, (2008:26-27) stated human resource planning forecasts an organization's future demand for and supply of employees. Human Resource Planning (or employment planning) enables managers to develop staffing plans that support the organization strategy allowing it to fill the job openings proactively. Human Resource Planning previously in such a way that systematically forecasts an organization's future demand for and supply of employees. In line with this, all organizations should identify their short-run and long run employee needs by examining their corporate strategies short-range plans point out job openings that must be filled in the coming year, long-run plans estimate human resource needs for the next, two five, or more years. Each organization must find able of practices that work within the company culture and the realities of business necessity.

According to Ivancevich (2004:135), Stated Human resource planning is both a press and a set of plans; it is how organizations assess the future supply of and demand for human resource. Organization must have accurate, rapid access to information about both the supply of demand for human resource and be prepared to deal with any surplus or shortage that may come about. Also Stated that an effective human resource plan provides mechanisms to eliminate any gaps that may exist between supply and demand.

## **2.2 The Importance of HRP**

HRP plays an enormously important role in realizing the organization's goals as it involves having the right talent with the right skills, at the right time and for the right cost. The importance of HRP lies in its potential to identify organizational needs for skills and competencies for both present and future programs Randhawa (2007). HRP can use various methods to address current and expected workforce needs such as demographic analysis and Retirement projections Meisinger (2007). Organizations need HRP to have the right systems in place to ensure that the organization has the right job in place and obtains the right people for them Freedman (2009). HRP also aims to facilitate organizational effectiveness. For instance, HRP can involve the collection of data, which can be used to assess the effectiveness of a program and provide notice when revision is needed, such as in the area of employees' skills, interests and experience Ulfertsm et al. (2009). HRP is also important to assist HR professionals to plan for change and mitigate against sudden events. This can be achieved through HRP by developing a clear vision of their workforce requirements. It is apparent that HRP is more accurate as it depends on the prediction of several elements that are related to the HRM function, such as recruitment, retention, redeployment, leadership and employee development Sullivan

(2002).HRP activities provide the opportunity to frame decisions explicitly in terms of long-term strategies that then turn into effective outcome statements for the organization. This is important for acquiring, developing, and retaining staff to achieve programmatic goals Choudhury (2007). HRP enables an organization to adjust and quickly respond to current and emerging business requirements. For instance, by engaging in HRP, an organization can formulate strategies for success through providing a set of useful inputs such as the type and number of current employees Aswathappa (2005). Achieving a balance between labor demand and supply is the most common cited benefit of HRP Imison, Buchan, & Xavier (2009). The demand side is concerned with expected trends in the labor market, while the supply side involves determining the method of job candidate placement and the position that will be occupied by candidates with the required qualifications Snell &Bohlander (2012).

### **2.3. Component of HRP**

HRP has two components i.e. requirements and availability. Forecasting human resource requirements involves determining the number and the type of employees needed, by skill level and location. This projection will reflect various factors, such as production plans and changes in productivity. In order to forecast available the human resource manage looks to both internal source (presently employed) and external sources (the labor market) Akenda (2014)

When employee requirement and availability have been analyzed, the firms can determine whether it will have a surplus or a shortage of employees. Ways must be found to reduce number of employees if surplus is projected. Some of these methods include restricted hiring reduced hours, early retirements and layoffs.

If a shortage is forecasted, the firm must obtain the proper quantity and quality of works from outside the organization. Thus external recruitment and selection is required in this situation.

Because conditions in the external and internal environments can change quickly the human resource planning process must be continuous Goitom(2007)

#### **2.3.1. Human Resource Requirements forecast**

Are an estimate of the number and kinds of employees the organization have need at future dates to realize its stated goals. Before human resource requirement can be projected demand for the firm's goods or services. Must first be forecasted however, this forecast is then covered to people requirements.

### **2.3.2. Forecasting Human Resource availability**

Determining whether the firms are able to secure employees with the necessary skills and from what sources is called an availability forecast. It helps to show whether the needed employees may be obtained from within the company from outside or organization Asswahappa (2002)

### **2.4. Human resource forecasting Technique**

Human resource forecasting is estimating not only how many but also what kinds of employees will be needed. Forecasting yields advance estimates or calculations of the organization are staffing requirements.

The techniques are managerial judgment ratio trend analysis, work study technique, expert estimate, Delphi technique, modeling and multiple predictive techniques, unit demand forecasting and flow models Asswathappa (2002).

#### **A. Managerial judgment technique**

In this technique, managers sit together, discuss and arrive at a figure which would be the future demined for labor Asswathappa (2002)

#### **B. Expert estimate**

The least mathematically sophisticated approach to employment forecasting is for an expert or group of expert to provide the organization with demand estimates based on experience, guesses, intuition and subjective assessment of available economic and labor force indicators Ivanceivich (2004)

#### **C. Delphi technique**

Concerns over a single individuals ability to provide accurate estimates of such complex issued lead to development of Delphi technique Ivanceivich (2004)

Delphi technique is a method of forecasting personnel needs by soliciting estimate of personnel need from a group of expert, usually managers Asswathappa (2002)

#### **D. Trend projection**

Based on a past relationship between a factors related to employment to employment itself related a single factor to employment Ivanceivich(2004)

#### **E. Modeling and multiple predictive technique**

Uses the most sophisticated forecasting and modeling technique and relates many factors to employment Ivanceivic (2004)

## **F. Flow models**

Markov model involves developing a matrix to show the probability of an employee's moving from one position to another or leaving the organization Ivancevich (2004)

## **G. Unit-demand forecasting**

The unit forecasting is a bottom-up approach to forecasting demand. Head quarters sums these unit forecasting, and result becomes the employment forecast Ivancevich (2004)

## **H. Work-study technique**

This can be used when it's possible to apply work measurement to calculate the length operations and the amount of labor required Asswathappa (2002)

### ***2.5 Factors Influencing Human Resource Planning***

External and internal issues are the forces that drive human resource planning. Internally: type and strategy of the organization, organization growth cycle and planning, time horizon and so forth. Externally issues are events or trends outside of the organization such as demographic factors, technological factor and competition Minika (2012)

### **2.5.1 EXTERNAL FACTOR**

#### **Demographic factors**

Demographic factors have decisive influence on forecast of future requirement. These are availability of youth training/college facilities, sex ratio, facilitate for professional education, income level etc. A number of people retire every year a new batch of graduates will specialization turns out every year this can change the appointment or the removal in the organization.

Demographic factor have impact on HRM practice related to HR planning, recruitment and selection and organization has to keep balance in gender, racial and ethnic diversity kramar(2014).

#### **Technological factors**

HRP and HRM technology can be defined as technology that is to hire, retain, and maintain a work force support administration of HR and boost human resource management and planning.

Technology changes at a very fast speed and new people having the required knowledge are required for the company. In some cases, company may retain existing employees and teach

them the new technology and in some cases the companies have to remove existing people and appoint new.

Fumbrun (1982) argues changing technology environment has a great influence on HR. The degree of interaction between technology and HR affect the way we work, the roles we undertake and the interaction through which work gets done Defillipii (2002)

### **Legal/Government policy**

Legal factor which affect the HRP practice are government labour policy, economic policy, National labour laws and health and safety regulations (sylwia, 2013)

According to Arup and pawan (2008) the legal framework of a country has direct impact on HRM practice.

### **Competition**

Competitor's strategies influence future requirement of manpower in a variety of ways promotion steps taken by competitors like advertisement, quality of product requires improvement vis-a-vis. (Nair, 2004)

## **2.5.2 INTERNAL FACTOR**

### **Attrition Rate**

Attrition can to a large extent be disruptive and costly if not managed well. Work personnel leave employment due to various reasons; resignation, termination, retirement, remuneration, work assignments benefits, promotions just to mention a few. Employees who perform better have an upper hand on external employment opportunities as compared to the average performing employees Trevor (2001). Adoption of HRP policies will ensure that the attrition rate of the organization is manageable.

### **Organizational Structure**

Organizations are uniform, structured and coordinated effort for achievement of economic/financial objectives for profit seeking firms and social for non-profit organizations. Structure composes of an integral part of any organization; it acts as a basis for orchestrating organizational activities. Therefore, organizations understand the significance of structure in carrying out business activities and its nexus to strategy. The human resource manager ensures that they have the right personnel based on the structure of the firm. This will take into contemplation any future growth plans and expansions of the firm. HR practices do not exist in a

vacuum; hence, understanding the context within which the role of HR in corporate decision making is affected contributes to improved management of personnel. Such understanding is key as organizational borders are unclear due to an increasing movement towards a global economy where management entails handling organizations and people in geographic positions different from one's own Machariya (2016).

## **2.6 Empirical Review**

Alwashi (2016) conducted a research on human resource planning practice of Ministry of education in the sultanate of Oman. The main aim of the study was to explore the practice of human resource planning in 2016 in the ministry of education in OMAN. He tried to assess the practice of HRP and its affecting factors and skills necessary to develop and implement effective HRP practice also found that HRP in the MOE is influence by both external and internal factors. The external factors were government policies, the legal context, the labor market and the economy, while the internal factors included organization structure and culture.

A research conducted on 49 Kenya insurance in Kenya by Macharia( 2016) aimed at determining the factors that influence human resource planning among Kenya insurances. The study result indicates that technological changes, organization structure, attrition rate, availability of scarce and critical skills and governments policy had a significant influence on human resource planning.

Mwemez(2011) conducted a research on challenges facing on human resource succession planning in Tanzania public and private organization in Dare Salaam region. The researches tries to assess the extent of human resource planning activities challenges facing human resource succession planning, positive factors influencing human resource succession planning and also looked at strategies used for enhancing the application of human resource planning in Tanzania work organization.

The study findings revealed that there were a number of challenges the organization encountered in conducting effective human resource succession planning. These include lack of awareness among the majority of stakeholders, lack of effective company vision, lack of willingness among the senior employees in carrying out succession pans and increasing tight labor markets was raised to be some of the challenges facing human resource succession planning.

Other study which was conducted by Aljabari(2012) was about factors affecting human resource practices in a sample of diversified Palestine organizations. The aim of the study was to investigate the extent to which HRM practices become more formal as firms progress in size,

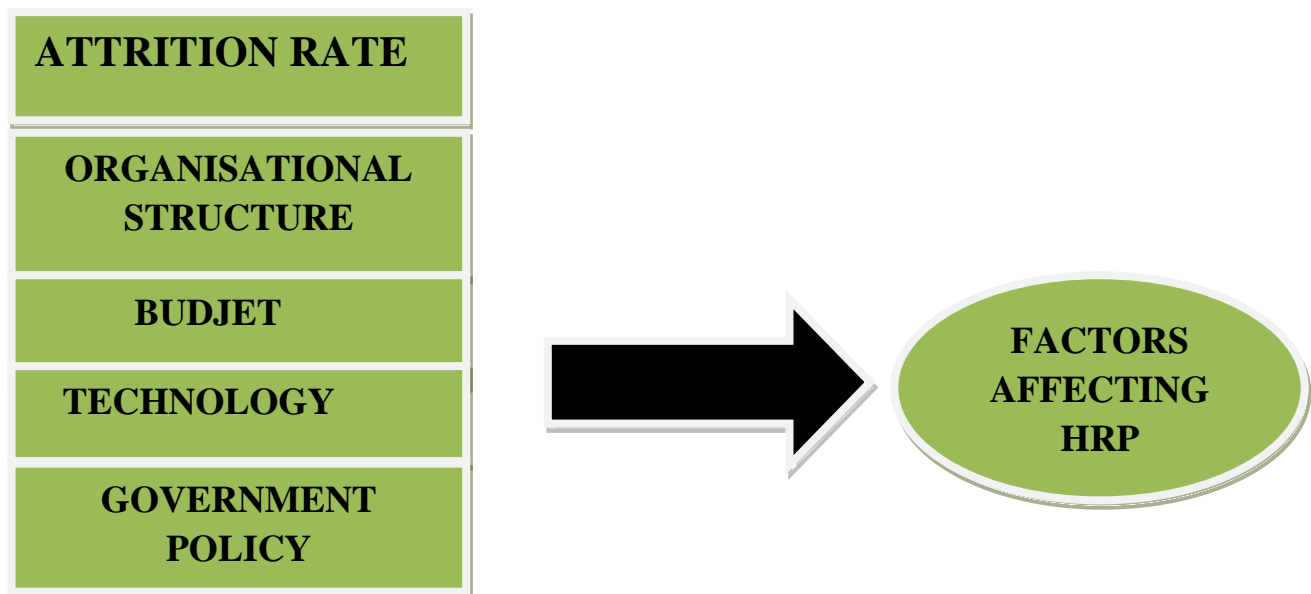
differ in sector (government, private or nongovernmental organizations “NGO” and whether it is profit and nonprofit organization. The HRM practices examined on the research are recruitment, selection, training and development compensation and performance appraisal. The finding shows that sector has a drastic effect on the level of HRM practices in Palestine as the NGO sector proved to have a much higher level than both private and government sectors and with regard to profit nonprofit sector is practicing HR higher than profit sectors. In addition to this the finding shows the large firms apply more formalize HR practice than smaller firms do. Taking into account certain contextual factors the direct relation with firm size becomes substantially less.

## 2.7 Conceptual Framework

The conceptual framework model focused on factors affecting human resource planning. The factors are both internal and external.

**Internal Factors:** - The main internal factors are attrition rate, organizational structure and budget.

**External Factors:** - The external factors are technology and government policy.



Source: Researcher own construction (2019)



## **CHAPTER THREE**

### **RESEARCH DESIGN AND METHODOLOGY**

#### **3.1 Research Design**

In the areas of social science most of the researches are descriptive research category. Descriptive type of research studies is those studies which are concerned with describing the characteristics of a particular person, or of a group, place, and things Kothari (2004). The study focuses on identifying factors affecting human resource planning of Neham International Plc by using descriptive methods of research which is convenient to meet the objectives of the study. And also both quantitative and qualitative approach was used during data analysis.

#### **3.2 population and sampling technique**

Population is the total items about which data will be taken and it has to be identified clearly. The population of the study taken from all departments on the selected organization i.e. Administrative and logistic transport operational and technical directorate, Finance directorate, Engineering directorate, Business trade and sales department and Import and export division total population of 200. The sample of the study was taken using non random sampling techniques and the total number of the sample is 100. Because the sampling technique used was non probability sampling it didn't need to calculate the error margins because of these respondents were selected without any formula which was convenient to the researcher.

Therefore In the study non-probability sampling techniques was applied in order to select the samples who gave primary data that are vital for the study. Therefore, convenience sampling was used to get a chance in select respondents.

#### **3.3 Types of data and tools of data collection**

The research of this study used primary and secondary data sources in order to answer the research questions and accomplish the objectives of the study. Primary data was collected from different sources using data collection tools and Secondary data taken from other research studies related to the topic, books, articles and different internet sources.

Questionnaire and interview was used as primary data collection tools to collect the necessary raw data and secondary data sources used to collect important secondary data

### **3.4 Procedure of Data collection**

The important data for the final study was collected using questionnaire and interview .The procedures for each of the data collection tools are discussed below.

**Procedures for questionnaires:-**Questionnaires developed based on the specific objectives of the study a five point Likert scale. During the distribution of the adjusted questionnaires the respondents notified the purpose of the study, the confidentiality of the answer given by them and also told data is strictly used only to the finalization of the thesis study, and then the questions distributed to the respondents on the appropriate time and place for them. After one week the answer collected and the data analysis carried on.

**Procedures for interview:-**structured and unstructured interview was prepared and the researcher contacted in person the deputy manager to make an appointment to have interview. At the time and place agreed comfortable to both the interviewer and the interviewee the interview was carried out .During the interview time before the starting the interview the interviewer thanks the interviewee and explained the purpose of the interview in short and started the actual interview. When the interview time was over the data collector again thank the interviewee and end the interview.

### **3.5 Methods of Data Analysis**

The primary and secondary data were collected using the mentioned tools was recorded, edited, organized, analyzed, interpreted and presented in chapter four of the study of along with the help of statistical tools such as tables, figures and percentages for quantitative data that was collected through questionnaires, and also interview was used to describe qualitative data in depth. Finally the analysis was done using Statistical Package for Social Science (SPSS v 20) and Microsoft Word MS-Excel.

## CHAPTER FOUR

### DATA ANALYSIS AND INTERPRETATION

This chapter presents analysis and findings of the study as set out in the research methodology. The results were presented on the factors affecting human resource planning at Neham International Plc. The study targeted 100 respondents out of which 93 of them responded and returned their questionnaires.

#### 4.1 Demographic Information

The background information has indeed been considered meaningful by the researcher; this is because of the role it plays enabling the understanding of the logic of the responses given by the respondents. Various demographic and socio economic factor considered Gender, Age, Educational Background and year of employment.

**Table 1: Demographic Information**

<b>Demographic variables</b>	<b>Category</b>	<b>Frequency</b>	<b>Percentage</b>
<b>Gender</b>	<b>Male</b>	<b>53</b>	<b>57%</b>
	<b>Female</b>	<b>40</b>	<b>43%</b>
<b>Age</b>	<b>18-30</b>	<b>26</b>	<b>28%</b>
	<b>31-50</b>	<b>56</b>	<b>60.2%</b>
	<b>&gt;50</b>	<b>11</b>	<b>11.8%</b>
<b>Educational Background</b>	<b>Diploma</b>	<b>18</b>	<b>19.4%</b>
	<b>Degree</b>	<b>60</b>	<b>64.5%</b>
	<b>Masters</b>	<b>15</b>	<b>16.1%</b>
<b>Year of employment</b>	<b>&lt;1 year</b>	<b>22</b>	<b>23.7%</b>
	<b>1-5 year</b>	<b>56</b>	<b>60.2%</b>
	<b>&gt;5 year</b>	<b>15</b>	<b>16.1%</b>

The general characteristics of respondents in this study are represented in Table 1. The respondents in this study were diverse in terms of gender, age, level of education and no of years employed. Of so returned questionnaires respondents 53 were male and the rest 40 were female. This is a reflection of the level of balance distribution of male and female human resource in Neham International Plc.

Out of 93 respondents the majority i.e. 60.2% are ranged between 31-50 years old, 28% ranged between 18-30 and the remaining 11.8% is >50 yrs old. Knowing the respondents age helped the researcher expectation that the higher the age the higher experience and the higher knowledge about HR practice of Neham International Plc.

With regards to educational background 64.5% had a degree a substantial number i.e. 19.4% had a Diploma degree and 16.1% had a master’s degree. From this data the researcher understood that respondents easily understand the contents of the questioners.

In relation to the year of employment 60.2% raged 1-5 Years, 23.7% <1 year and 16.1% employed in the company >5 years. Knowing the respondents year of employment helped the researcher to know how employees of Neham international Plc have aware of the practice of the company with regards to HRP because the researcher believes the higher the experience the higher knowledge about the practice of the company.

#### 4.2. Human resource planning practice

This section seeks to assess the practice of human resource planning of Neham International Plc.

Table 2 **Human resource planning practice**

Statements	1	2	3	4	5	Mean	Standard deviation
The company gives adequate attention to HRP	23.7%	-	-	33.3%	43%	3.72	1.58
Importance of HRP is properly understood and implemented in the organization	23.7%	-	-	43.0%	33.3%	3.86	1.13
Employees participate in preparing HRP	23.7%	-	-	39.8%	36.6%	3.65	1.55
<b>HRP Practice</b>	<b>23.7%</b>	-	-	<b>38.7%</b>	<b>37.6%</b>	<b>3.74</b>	<b>1.42</b>
Where 1= Agree, 2= strongly Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree							

As indicated above in Table 2, it shows that 43% responded strongly disagreed 33.3% disagreed and 23.7% agreed on the company's adequate attention to HRP. In relation to the 2<sup>nd</sup> statement i.e. importance of HRP is properly understood and implemented in the company out of 93 respondents 33% strongly disagreed, 43% disagreed and 23.7% agreed. It has got a mean score of 3.74 which fall in the range of neutral and disagree, however, it considered as disagree because more than half of the respondents response fall on the disagree level. These show that much attention is not given to HRP in the company and the importance of HRP is not properly understood and implemented in Neham international Plc. These have a negative impact on the company performance because absence of HRP or fail to give attention HRP in an organization can result in huge loss or financial crisis. It may take a long time for vacancies to be filled and causes a delay in finding the right talent to fill the key positions. And also failure to give adequate attention to HPR that support management training and workplace morale, a decline in productivity will eventually develop.

A study conducted by Afzal, Mahmood, Mohsin and sherazi(2013) on the Effect of Human Resource Planning on Organizational Performance of Telecom Sector finds that significant tools of HRP like selection, training, benefits/incentives, and employee Information and Knowledge Management promotion makes HR of telecom companies more strong than any other sector in UK.

Organizations must plan in order to establish where they are, where they need to be and have a way forward on how to get there. Human Resource is an important function of the organization which leads to the adequate resource utilization of the right people to do the right tasks at the right time and in the right way. This leads to acquisition of goals in an efficient and effective manner. John (2013).

In relation to employee's involvement in HRP respondents responded that 23.7% agreed, 39.8% disagreed and the remaining 36.6% strongly disagreed. This indicate that the majority of the respondents disagreed on the involvement of employee's in HRP process in the company, similar to this at the time of interview the deputy manager of Neham international Plc said that HRP is conducted based on the report collected from each department .The department heads will plan their demand on recruiting new employees, trainings and other HR needs and they report it to the concerned department i.e. logistic and administrative department and this department will revise it with the deputy manager. This show that the company use managerial estimate forecasting method i.e. low level managers think about their workload, future capabilities of employee and

Decide on the number and type of human resource to be supplied and pass them up for further revisions. But without involving employees in HRP process the manager may not get the gap on the staffing needs by himself. Because employees help the manager by giving a clue and information to find out the real gap of departments in relation to HR needs.

A study conducted by Mensah(2012) on analysis of HRP and its effect on organizational effectiveness a case study of information services department find out that HRP involves gathering of Information making objectives and making to enable the organization.

Employees who are not well involved in the planning process backed their movement to be acquired about the whole process the challenges and the prospects and the necessary activities less involvement of employees result in the narrowed or information shortened planning thus employees have to permit to involve accurately and in the requested manner. Akenda( 2014)

### 4.3 External Factors affecting HRP

This section seeks to establish the extent to which technological changes influence human resource planning in Neham International Plc the findings are as shown below in Table 3

#### 4.3.1 Technology

Table 3 Response related to technology as a factor of HRP

Statements	1	2	3	4	5	Mean	Standard deviation
Introduction of new technology affect the existing employees	60.2%	-	-	23.7%	16.1%	2.54	1.42
Selection of new employees i.e. advertising jobs, application and interviews are conducted through online	60.2%	-	-	16.1%	23.7%	2.54	1.42
HR development are conducted through online seminars and online training	16.1%	-	-	60.2%	23.7%	2.54	1.42
<b>Technology</b>	<b>45.5%</b>	-	-	<b>33.3%</b>	<b>21.2%</b>	<b>2.54</b>	<b>1.42</b>
Where 1=Agree, 2= Strongly Agree 3= Neutral 4= Disagree and 5= Strongly Disagree							

As shown in the above table, respondents were asked to comment on the impact of technology on HRP, According to the responses, the majority of respondents 60.2% agreed of that the introduction of new technology affect the existing employees. On the other hand, the 23.7% disagreed and 16.1% strongly disagreed. The data indicate that majority of the respondents agreed on that introduction of new technology affects the existing employees.

Technological advancement can have a huge impact on the company because it allows the company to improve its internal processes, core competencies and organization structure as a whole. New technology brings new skills requirements and it needs proficiencies and training.

With regards to a response given on the company practice at the time of selection of new employees through advertising jobs, online application and interview 60.2% agreed, 16.1% disagreed and the remaining 23.7% strongly disagreed on the practice. The finding shows there is no regular practice on selection of employees but majority of the respondents agreed with the company practice at the time of selection of new employees through advertising jobs, online application and interview. At the time of interview with the deputy manager of Neham International Plc he explain that their company use both methods i.e. online advertising application and also used post vacancy at the vacancy board inside the company and outside the company. But mostly use the online method.

This practice creates a positive impact on the company who use job portals on internet to search for the position. Because the process has been made effective with the use of internet as many people come to know offer and hence increases the probability of hiring efficient employees. For employers they can present all necessary information related to job carriers and personal development of each employee on portals online.

The third statement in relation to technology is HR development conducted through online seminars and online training. Out of 93 respondents 60.2% responded as disagreed, 23.7% strongly disagreed and only 16.1% agreed on the company conducting trainings and seminars through online. This indicates that majority of the respondents disagreed. And similar to this the Deputy Manager said up to now the company use training and seminar by preparing a training program either in office or out of a company in training institutions.

A study done by Macharia(2016) on Kenya insurance firms found that technological factors play a significant role in aiding HRP and have changed the way jobs are advertised and applied for how staff communicate-learning opportunities among other benefits.

To sum up from the findings shown above Introduction of new technology affect the existing employees, Selection of new employees i.e. advertising jobs, application and interviews are conducted through online and HR development are conducted through online seminars and Online training with total mean of 2.54 which fall in the range of agree level and Neutral, however, it considered as agree because the agree level response is greater than from other levels.

### 4.3.2 Government policy

This section seeks to establish the extent to which government policy influence human resource planning in Neham International Plc the findings are as shown below in Table 4

**Table 4** Response related to government policy as a factor of HRP

Statements	1	2	3	4	5	Mean	Standard deviation
Employment is guided by government policy and regulation i.e. Recruitment, selection	43%	-	23.7%	16.1%	17.2%	3.55	1.59
Human resource operation is guided by labour law	39.8%	36.6%	-	-	23.7%	2.31	1.57
<b>Government policy</b>	<b>41.4%</b>	<b>36.6%</b>	<b>23.7%</b>	<b>16.1%</b>	<b>20.45%</b>	<b>2.93</b>	<b>1.58</b>
Where 1= Agree, 2= Strongly Agree 3= Neutral 4= Disagree and 5= Strongly Disagree							

As indicated above 43% of the total respondents agreed with the dependency of the company on government policy at the time of employment. 16.1% disagreed and 23.7% gave a response as a neutral these respondents may not have any clue about whether their company employment is guided by government policy or not. But the majority agreed that Neham International Plc employment is guided by government policy.



Consistent with this the deputy manager responded that government policy and regulation affect employment and other HR practice and human resource of the company is guided by labour law. “For instance sometimes our company need to recruit employee for definite period but according to Ethiopian labour law no 377/96 except for some cases any contract of employment shall be concluded for an indefinite period. This will hinder us not to recruit employee for temporary time. Our company also needs to hire non Ethiopian employee specifically for technical areas but it has a lot of process that are to fulfilled and has to issue permit by ministry of labor and social affair. This indicates the company is not free to hire only by considering its internal capacity. It must follow the law and the procedure.

In case of working hr the labour law set as the working hr is 48 hr per week. When our companies need to work employee more than 48 hr per week we have to pay overtime payment. To do this, overtime payment should be included in HRP to allocate budget.

In other case female employees give birth and they must take a maternity leave, at this time the company should recruit other employee who replaces her for definite period. Because of this reasons HRP implementation of Neham International Plc was difficult and impossible i.e. some HRP of the company may contradict with government policy and law.” (Deputy Manager)

From the above findings employment is guided by government policy and regulation i.e. employment is guided by government policies with a mean of 4.60 and Human resource operation is guided by labour law with a mean of 2.31 and total mean 2.93 which fall on the agree level shows government policy has a major impact on HRP at Neham international Plc.

#### **4.4 Internal Factors Affecting HRP**

##### **4.4.1 Attrition rate**

This section seeks to establish the extent to which attrition rate affects human resource planning at Neham International Plc.

**Table 5** Response related to attrition rate as a factor of HRP

Statements	1	2	3	4	5	Mean	Standard deviation
There is a job security and job satisfaction in the company	-	-	-	39.8%	60.2%	4.60	0.49
Remuneration is as per with other similar companies	23.7%	17.2%	-	39.8%	19.4%	3.14	1.57
There are good incentives for staff in the company	-	-	19.4%	40.9%	39.8%	3.99	0.9
<b>Attrition rate</b>	<b>23.7%</b>	<b>17.2%</b>	<b>19.4%</b>	<b>40.1%</b>	<b>39.8%</b>	<b>3.91</b>	<b>0.98</b>
Where 1= Agree, 2= Strongly Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree							

With regards to job security and satisfaction from the data above in table 5, 39.8% of the respondents disagreed and 60.2% strongly disagreed. This shows that there is no job security and job satisfaction in Neham International Plc.

While the outcomes of job satisfaction are an increase in the commitment to one's organization; job dissatisfaction will lead to problems including absenteeism, tardiness, turnover, and strikes (Rue & Byars, 2005)

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A study conducted by Mahdi, Mohd Zin, Mohd Nor, Sakat and Naim, (2012) on the Relationship Between Job Satisfaction and turnover Intention showed that both forms of job satisfaction intrinsic and extrinsic satisfaction have inverse relationship on employees' turnover intentions.

In relation to the second statement 23.7% agreed on remuneration of Neham International Plc is as per with other similar companies 17.25% strongly agreed, 39.8% responded as disagreed and the remaining 19.4% strongly disagreed. This shows that the salary of Neham International Plc was not comparable with others it is lower compared to other companies and this will create employee turnover rate. On this issue the Deputy Manager of Neham international Plc explained the remuneration of Neham International Plc is annually revised by the top manager and deputy manager and at the time of revision other companies who engaged in similar business remuneration system take in to consideration and the remuneration is similar with other companies. From this the researcher understands there is a different perception between employees and management in relation to remuneration scale.

If a salary is set too low, employees can express frustration with the pay and they don't have job satisfaction and eventually resign. Pay also can become an issue for employees who have remained loyal to a company for a long time but have reached a salary cap for their position. Such employees also are at risk for leaving.

Consistence with this study a study conducted on Influence of remuneration factors on staff turnover in Humanitarian sector a study conducted by Akeyo (2017) presented that remuneration was important in explaining staff turnover. This means that remuneration is a statistically significant predictor of staff turnover.

As it can be observed from the above table statement three 40.9% of the total respondents disagreed upon the existence good incentives for staff in the company, 39.8% strongly disagreed and the remaining 19.4% responded as neutral. These respondents i.e. 19.4% responded as neutral, the reason behind may be up to now they didn't get an incentive from the company and they mayn't see it is done to other employees. But the large numbers from the total respondents disagreed on the company allocation good incentives for employees on the company.

A study conducted on The Effects of Employee Recognition, Pay, and Benefits on Job Satisfaction: Cross Country Evidence, by Tessema, Ready & Embaye (2013) concluded that both

financial and nonfinancial rewards, as measured by pay, benefits and recognition have a role in influencing job satisfaction.

From the data gathered attrition rate have an impact and a factor of HRP i.e. there is a job security and job satisfaction in the company, remuneration is as per with other similar companies And availability of good incentives for staff in the company with a mean of 4.60, 3.14, 3.99 respectively with a total mean 3.91 which approach to the disagree level.

#### 4.4.2 Organizational structure

This section seeks to establish the extent to which organizational structure influence human resource planning in Neham International Plc the findings are shown below in Table 6.

**Table 6** Response related to organizational structure as a factor of HRP

Statements	1	2	3	4	5	Mean	Standard deviation
Company diversification to new products affect HRP	16.1 %	60.2%	-	-	23.7%	2.55	1.42
Fail to define roles and responsibilities of employees affect HRP	17.2%	35.5%	-	23.7%	23.7%	3.01	1.45
Types of structure a company used affect HRP	19.4%	-	16.1%	23.7%	40.9%	3.66	1.49
<b>Organizational structure</b>	<b>17.5%</b>	<b>47.85%</b>	<b>16.1%</b>	<b>23.7%</b>	<b>29.4%</b>	<b>3.07</b>	<b>1.45</b>
Where 1= Agree, 2= Strongly Agree, 3= Neutral, 4= Disagree and 5= Strongly Disagree							

Respondents were asked to respond on accompany diversification to new products affect HRP, 16.1% agreed while 60.2% strongly agreed and 23.7% strongly disagreed on the impact of

diversification of new products on HRP. The deputy manager also explained that Neham International Plc engaged in a diverse products and services but the new product and service are expected to be done by existing employees. Because of this at the time of diversification there were certain gaps. Because when a company diversifies into new products or close down business in some areas appointing or removing people will change according to situation.

As the above data shows among 93 respondents 17.2% and 35.5% responded on the statement fail to define roles and responsibility of employees affect HRP as agreed and strongly agreed respectively while equal no of respondents i.e. 23.7% disagreed and again 23.7% strongly disagreed. These shows majority of the respondents agreed on absence of defining roles and responsibility of employees affect HRP in Neham International Plc.

Fail to define roles and responsibility will have a negative impact on HRP because if there is no clear roles and responsibility of employees in the company, it will be difficult to ensure the best fit between employee and jobs.

In other word HRP is responsible for arranging the right people for the right job from all available sources. To do this there should be a clear role and responsibility of employees.

The interview made with the deputy manager shows that failure to clearly define roles and responsibility of employees was a gap in recent years in Neham International Plc and it did have an impact on HRP of the company but nowadays the company tries to solve this gap.

With regard to the third statement 19.4% responded as agreed on the statement three i.e. types of structure a company used affect HRP 16.1% comment as neutral while 23.7% and 40.9% responded as disagreed and strongly disagreed respectively. A large portion of the respondents disagreed on the impact of types of structure a company on HRP.

Mintzberg (2009) Organizational structure is deal with how people are organized and how their jobs are divided and coordinated.

Organizational structure is a formal configuration between individuals and groups concerning the responsibility, allocation of tasks and authority in the organization. (Greenberg 2011)

Similar with the finding of the questionnaires the deputy manager said Neham International Plc used functional organizational structure, which divides the company based on specialty. Employees are dedicated to a single function i.e. Administrative and logistic transport operational and technical directorate, Finance directorate, Engineering directorate, Business trade and sales department and Import and export division. In addition to this the deputy manager explained type of structure the company uses is one factor which is to be taken in to account at the time of HRP.

From the above findings the some of the respondents disagreed on the impact of types of organizational structure on HRP but from majority of the respondents and from the deputy manager interview, type of organizational structure a company uses affects HRP in Neham International Plc with a total mean of 3.07 even if it falls around the neutral level the level of agree is greater than other level the mean approach to the agree level.

#### 4.4.3 Budget

This section seeks to establish the extent to which budget influence human resource planning in Neham International Plc the findings are shown below in Table 7.

**Table 7** Response related to budget as a factor of HRP

Statements	1	2	3	4	5	Mean	Standard deviation
The company allocate adequate budget for recruitment	23.7 %	23.7%	-	33.3%	19.4%	3.01	1.52
The company allocate adequate budget for compensation	-	23.7%	-	16.1 %	60.2%	4.13	1.24
The company allocate adequate budget for wellbeing of employees	23.7%	23.7%	-	19.4%	33.3%	3.15	1.65
<b>Budget</b>	<b>23.7%</b>	<b>23.7%</b>	<b>-</b>	<b>22.9%</b>	<b>37.6%</b>	<b>3.43</b>	<b>1.47</b>
Where 1= Agree, 2= Strongly agree,3= Neutral, 4= Disagree and 5= Strongly disagree							

Table 7 indicate 23.7% of the total respondents responded as agreed and again the same amount i.e.23.7% strongly agreed on the allocation of adequate budget for recruitment in the company and 33.3% disagreed and the rest 19.4% responded as strongly disagreed. This data shows the majority of the respondents disagreed with the allocation of adequate budget in the company. Similar with the questionnaires finding the deputy manager said the company allocate budget for

recruitment, for compensation and for other HR needs but it mayn't be adequate and constant every year.

Beside this Neham international Plc doesn't have a trend to allocate budget for unexpected HR needs for e.g. For recruitment of employee for replacement of a woman employee who is in maternity leave and so on. This will affect HRP planning because if there is no allocation of adequate budget for recruitment in case of maternity leave and any similar cases and this may create a gap.

And at the time of HRP a company may plan to recruit additional employees but if the company doesn't allocate adequate budget the company forced to continue with the existing employee and in similar cases if the company fail to allocate adequate budget for recruitment the labor market may increase more than expected in this case also HR plan can't implemented as planned.

As can be inferred from the data obtained on the company allocation of adequate budget for compensation 23.7% strongly agreed, 16.1 % disagreed and a large portion of the respondents i.e. 60.2% strongly disagreed on the allocation of adequate compensation in the company. This indicates that there is no adequate compensation budget in Neham international company. And this will have a negative impact on HRP and also on the company performance. Because

Companies hire people individual to achieve their organizational goals and people join companies to earn money & build their career. One of the biggest factors why people join companies in the compensation and benefits, salaries, perks, incentives etc which is given to them.

Apart from the company's reputation and job profile, the money offered as a salary is Pivotal in attracting people to work for the organization. The more the compensation and benefits offered to employees, the more is their loyalty, motivation to work and do well. However, companies which offer lesser salaries see a high attrition rate and less productivity from employees.

All these factors help in making compensation and benefit an important factor in managing workforce.

The study conducted by Karia and Omari (2015) concludes that performance of the Public Water Utilities in Tanzania depend more on utilization of effective compensation and benefits. Despite the fact that, majority of employees in the public water utilities Tanzania claimed that they experienced low level of compensation and benefits utilization that may lead to poor organizational performance. If a compensation and benefit affect employee performance it will be one cause of to increase the turn overrate. And the increase in turnover rate will directly affect HRP.

The third and the last statement that puts to measure whether allocating budget for wellbeing of employee is a factor of HRP in Neham International Company. In relation to this equal number of respondents i.e.23.7% were responded as agreed and also 23.7% as strongly agreed while 19.4% as disagreed and the remaining 33.3% as strongly disagreed on the allocation of budget for wellbeing of employees in the company.

The majority of respondent's response shows that there is no adequate allocation of budget for wellbeing of employees in Neham International Plc. Because if employee feel as though management is prioritizing their workplace wellbeing, they are much more likely to feel valued, enjoy working for the company the organization. This has a negative impact on the company because fail to give attention to employee wellbeing leads to long term absence and high staff turnover. This high turnover rate will affect HRP of Neham International Plc. Because where there is a high turnover rate there will be an increase in a vacant position in the company i.e. a company may not include recruiting new employees in the human resource planning. Labor turnover render human resource planning ineffective and make human resource forecast mere a guess far from reality.

From the above findings the company allocate adequate budget for recruitment, the company allocate adequate budget for compensation and the company allocate adequate budget for wellbeing of employees with a mean of 3.01, 4.13 and 3.15 respectively with the mean score 3.43 which approach to disagree level. shows that Budget is one factor of HRP in Neham International Plc.

From the internal and external factors discussed above which affect HRP in Neham International Plc. Attrition rate, budget and government policy are negatively affect HRP.

Attrition rate shows a company is losing a relatively high percentage each year compared with the no of people hire and employ. The turnover of employee negatively affect HRP because

Company may forecast and plan the human resource required but if there is a high a labour turn over it will make HRP ineffective and mere guess.

Budget also has a negative impact on HRP i.e. a company plan for recruitment of new employees, accompany may plan for giving training and development and also a company plan for giving employees incentives. But without allocating budget it will be difficult and impossible to implement HRP. Because recruitment, training, development and also the whole human resource operation require budget for implementation.



The other factor which negatively affects HRP is government policy. A government policy which is enacted concerning human resource, tries to protect employee's rights. It mostly sets a minimum right which is to be given for employees employers can give more right and benefits but they can't give below the law. Because of this companies are not free to implement plans which contradict with the government policy and law.

## CHAPTER FIVE

### CONCLUSION AND RECOMMENDATION

This chapter tries to discuss and recapitulate the major finding from the study and also provides recommendation.

#### 5.1. Summary of major findings

The main objective of the study is to evaluate the factors affecting HRP in Neham International Plc. The primary data collected through questionnaire is summarized and presented as follows.

Regarding employees demographic Information majority of the respondents were males, had a degree, ranged age 31-50 year and had serve 1-5 year in the company.

In relation to human resource planning practice of Neham International Plc, the company doesn't give adequate attention to HRP and it is not properly understood in the company. And also employees are not involved in HRP.

Majority of respondents agreed on the introduction of new technology affect the existing employees, the selection of new employees advertising jobs, application and interviews are conducted through online on the other hand the majority of the respondents and the deputy manager disagreed on the HR development trainings and seminars are conducted through online. And this findings shows technology is one factor that affects HRP.

The other external factor which was used to identify the factor of HRP was government policies. The majority of the respondents agree that employment and human resource operation is guided by government policies and regulation. This implies government policies affect HRP.

Concerning to internal factors more than half of the respondents disagreed on the existence of job security, job satisfaction and incentives in the company and also they disagree on the remuneration of the company similar with other companies. This shows the absence of these factors results to high turnover rate in the company. These increase the attrition rate and affect HRP.

With regard to the other internal factor, organization structure was assessed by company diversification to new products; fails to define roles and responsibilities of employees and types of structure a company used affect HRP of Neham International Plc. And finding shows 76.3% from the total respondents agree on the company diversification to new products affect HRP. While 52.7% also agree on fail to define roles and responsibilities of employees affect HRP. And

64.6% disagree on types of structure a company used affect HRP. Budget is also one of the internal factors, more than half of the respondents disagreed on the allocation of adequate budget for recruitment, compensation and wellbeing of employees by the company. This clearly indicates there is no allocation of adequate budget in relation to recruitment, compensation and wellbeing of employees.

## **5.2. Conclusions**

HRP is conducted in Neham International annually which is revised quarterly by logistic and administrative department and by the deputy general manager. The Planning is conducted without involving employees by only considering report collected from each department through department managers. Even if the company conducted HRP the importance of HRP is not properly understood and implemented in the company. These affect company performance by resulting huge loss or financial crisis.

From the external factors which affect HRP in Neham International Plc technology is one factor i.e. introduction of new technology affect the existing employees in the company in order to cop up with the new technology the company forced to train the existing employees or to recruit new employees. But human resource development training and seminar doesn't that much depend on technology i.e. in Neham International plc trainings and seminars are conducted in the company or out of the company in other institutions but they don't use online methods.

The other external factor that affects HRP in Neham International Plc is government policies. In Neham International Plc employment and human resource operation is guided by Ethiopia labour law and other government policies. This indicates human resource activities in Neham International Plc are depending on government policies and this has a direct relation with HRP.

In Neham International Plc there are causes for turnover of employees the first one is the absence of job security and job satisfaction and the absence of good incentives and low remuneration compared to others. These results increase in attrition rate and have impact on HRP.

Because in the absence of job security, job satisfaction and paying low remuneration employees frustrate and forced to resign the job.

Organizational structure is other internal factor that affects HRP in Neham international Plc. Diversification to new products, fail to clearly define roles and responsibilities of employees affect HRP but types of structure a company uses doesn't have much impact on HRP in Neham International Plc. Because the departments in the company is organized based on their function and the company recruit and train employees based on their specialty area.

Budget is also another factor which affects HRP in Neham International Plc i.e. The Company doesn't allocate adequate budget for recruitment, incentives and wellbeing of employees. These indicate there is a huge gap in the company and it has a high level impact on HRP. Because, in the absence or fail to allocate adequate budget, HRP and the whole human resource operation will be meaningless.

### **5.3. Limitations of the Study**

Because of time and finance constraints the study holds only on Neham International Plc and not represents all factors affecting human resource planning, so generality of the result is reserved since the sample for this study was obtained only from Neham International Plc.

### **5.4. Recommendations**

Based on the findings basic problem are identified and the following recommendations are forwarded to the company.

During preparing HRP, department managers involvement by itself is not adequate employees should participate in the process of the preparation. Employees are part of the Organization and if they actively participate in the actual development of the plan, then they will accept the plan during the process of its execution. They do not become new during its implementation so, they should be part of the process.

Neham International Plc must take the internal and external factors into consideration. Specifically on factors which actually affect HRP on the previous time i.e. technology, government policies, attrition rate, organizational structure and budget.

- **Technology:** - At the time of the preparation of HRP a company should assess in what area does the company use technology and in what area does it use manual. Jobs which are conducted through technology, a company develop a plan which smoothly goes with the technology.
- **Government policies:** - a company should ensure HRP of the company and human resource operation is consistent with government policies, law and procedures. Because HRP which contradict with government policies and laws will not be implemented it remains on the paper and result to civil and criminal liability.
- **Attrition rate:** - the company should decrease the turnover rate by creating a conducive environment which employees feel secure, by revising the remuneration scale i.e. assessing other companies' trend which is engaged in similar business and by giving good incentives for employees based on fair standards.

- **Organizational structure:** - when the company plan to diversify to new products it should train the existing employees or recruit new employees who fit with the planned job. Roles and responsibilities of each employee should clearly specify in order to ensure the best fit between employee and jobs i.e. Arranging the right people for the right job and also
- **Budget:** - the company should allocate adequate budget for recruitment, incentives and for the wellbeing of employees in order the plan to be enforceable.

To sum up identifying these factors will help the company to develop plan which cop up with the factors and also to work on the root cause of the factors which results a negative impact on the company performance.

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**APPENDIX: - Questionnaire**  
**ST.MARY'S UNIVERSITY**  
**SCHOOL OF GRADUATE STUDIES**

**Questionnaire to be filled by employees of Neham International PLC.**

This questionnaire has been developed to collect views of professionals working for Neham International PLC on factors influencing human resource planning in the organization.

Please be confirmed that your response will be kept strictly confidential and it will be exclusively used for the research.

I kindly request you to complete and return the questionnaire within one week of receipt of the same.

I would like to thank you for your time and cooperation

Best regards

Netsanet Haile

**Section 1 Background Information Give your response by making (√) in the box that correctly corresponds to your response.**

1. Sex      1. Male     

                 2. Female     

2. Age      1.18-30     

                 2.31-50     

                 3.>50     

3. Educational Background

1. Diploma       2. Degree       3. Masters .other specify-----

4. Years since employed in the company

1. <1 year       2. 1-5 year       3. >5years

## SECTION 2: Questions related with planning practice

Give your response by making (√) in the box that correctly corresponds to your response.

STATEMENTS	AGREE	STRONGLY AGREE	NEUTRAL	DISAGREE	STRONGLY DISAGREE
The company gives adequate attention to HRP					
Importance of HRP is properly understood and implemented in the organization					
Employees participate in preparing HRP					

### EXTERNAL FACTORS

#### TECHNOLOGY

STATEMENT	Agree	Strongly agree	Neutral	Disagree	Strongly Disagree
Introduction of new technology affect the existing employees					
Selection of new employees i.e. advertising jobs, application and interviews are conducted through online					
HR development are conducted through online seminars and online training					

## GOVERNMENT POLICY

STATEMENT	Agree	Strongly agree	Neutral	Disagree	Strongly agree
Employment is guided by government policy and regulation					
Human resource operation is guided by labour law					

## INTERNAL FACTORS

### ATTRITION RATE

Statements	Agree	Strongly agree	Neutral	Disagree	Strongly disagree
There is a job security and job satisfaction in the company					
Remuneration is as per with other similar companies					
There are good incentives for staff in the company					

## ORGANISATINAL STRUCTURE

Statements	Agree	Strongly agree	Neutral	Disagree	Strongly Disagree
Company diversification to new products affect HRP					
Fail to define roles and responsibilities of employees affect HRP					
Types of structure a company used affect human resource planning					

## BUDGET

Statements	Agree	Strongly agree	Neutral	Disagree	Strongly Disagree
The company allocate adequate budget for recruitment					
The company allocate adequate budget for compensation					
The company allocates adequate budget for wellbeing of employees					

## **INTERVIEW GUIDE**

### **Section A: Respondents Background Information**

1. What current position in the organization do you hold?
2. For how long have you been working in this organization?

### **Section B: Human Resource Planning**

1. Does your organization undertake human resource planning?
2. What technique does your organization use to conduct human resource planning?
3. What are the factors that affect human resource planning process in your organization?

In what way do they affect HRP?