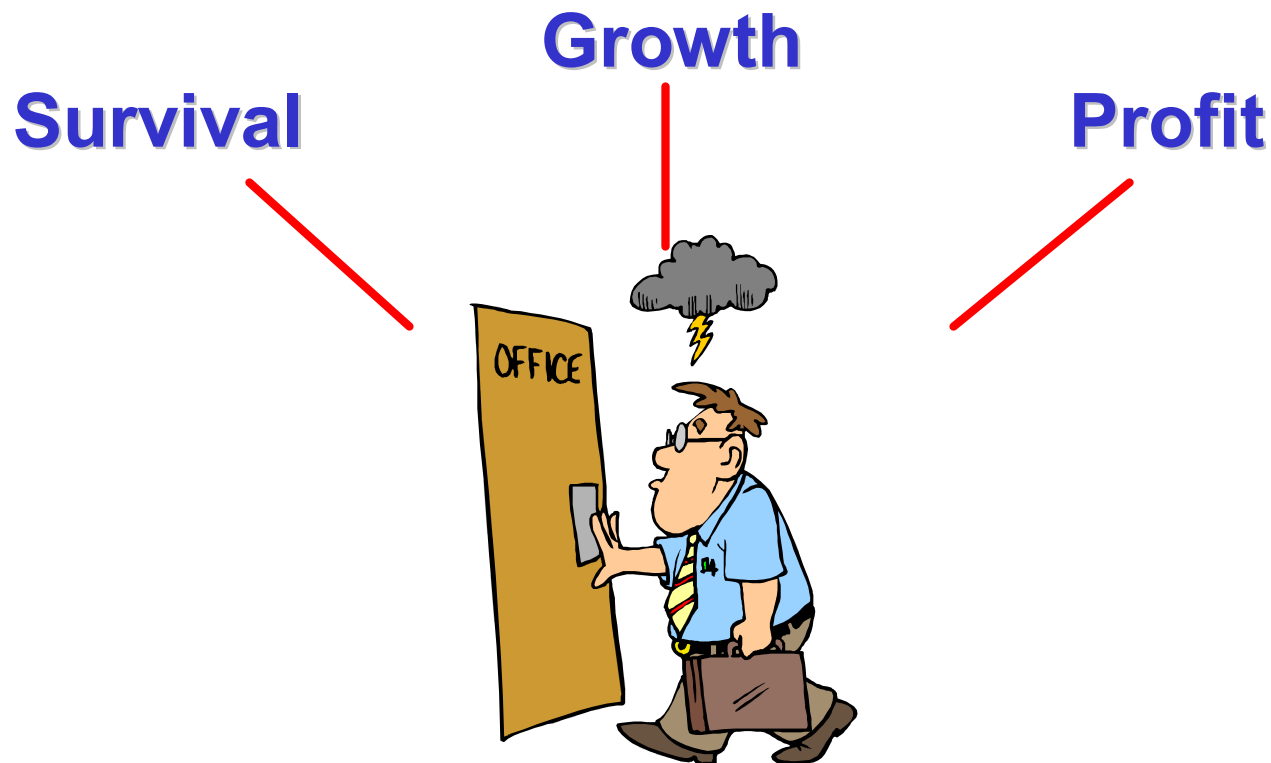




# Human Resources

- Human resources refers to the “people” working within a business
- They are vitally important if a business is to achieve its objectives
- Without the right staff a business is unlikely to achieve:





# Workforce Planning

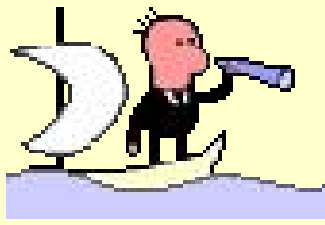
- Having the correct number and types of workers is crucial if these people are to help the business achieve its objectives
- This requires careful planning, to ensure that:
  - There are enough workers
  - Workers have the required skills
- A workforce plan will therefore involve
  - Looking at the business objectives
  - Analysing the present workforce
  - Planning for the future requirements in the workforce
  - Developing a strategy to meet these future requirements





# The Problems of Workforce Planning

- Planning ahead in Human Resources is especially important since we must answer the following questions:



- Do we need to replace people who leave?
- Why are people leaving?
- Should we promote internally, or appoint externally?
- What skills are needed due to changes in technology?
- How do we obtain these skills?
- Do we need to retrain workers due to changes in technology?

- Redundancy and retraining need careful planning since they may cause major problems



# Changes in the Workplace

- One of the main problems of workforce planning is managing change
- In recent years there have been a number of changes:
  - **More people are self-employed**
    - “contracting – out “ is now more common
  - **Increased use of temporary and casual workers**
    - Gives firms increased flexibility
  - **More part-time workers**
    - Again increased flexibility
  - **Increased use of homeworkers**
    - Reduces costs and increases work-time
    - Note homeworkers are NOT necessarily self-employed!





# Why Are Workers Needed?

- There are 5 main reasons why a business may need to employ more workers:

## Reasons Why Workers Are Needed





# Labour Turnover

- This is the measure of how quickly the staff in the workplace change
- It is calculated using the formula:

$$\text{Labour Turnover} = \frac{\text{Number of Employees leaving in a Specific Time Period}}{\text{Average Number of People Employed}} \times 100$$

➤ Eg a business that has 8 of its 200 workers leave will have a labour turnover of:

$$\text{Labour Turnover} = \frac{8}{200} \times 100 = 4\%$$



# Why Is Labour Turnover Important?



- High labour turnover can have a negative impact on a firm:
  - Recruiting new workers is expensive
  - New workers need training
  - Productivity will be lower whilst the new worker settles in



- However, labour turnover can sometimes be positive:
  - New workers may be more enthusiastic
  - Workers with specific skills can be employed
  - New workers may bring new ideas and methods
- It is therefore important to obtain the right level of labour turnover



# How Do Firms Obtain Workers?

- It is more complex than you think!
- There are a number of stages:

