

FORECASTING OF FUTURE SUPPLY IN STRATEGIC HUMAN RESOURCES PLANNING PROCESS: EXTERNAL ANALYSIS

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Özet: Bu çalışma, Türkiye'nin en büyük 200 sanayi işletmesinde gerçekleştirilmiştir. Araştırmanın konusu, stratejik insan kaynakları planlaması sürecinin önemli bir unsuru olarak, dış analiz uygulamasını değerlendirmektir. Çalışmamızın temel sonucuna göre, araştırma kapsamındaki stratejik insan kaynakları planlamasını gerçekleştiren işletmeler, dış analiz aşamasını göz önüne almamaktadırlar.

Anahtar Kelimeler: Stratejik, İnsan, Planlama, Analiz.

Abstract: This study was put into practise in the biggest 200 industry organizations of Turkey by us. The topic of this research is evaluation practice of external analysis as a major element of strategic human resources planning process. According to the major conclusion of our study, the firms in population of the research aren't taking into consideration stage of external analysis which they realise strategic human resources planning.

Keywords: Strategic, Human, Planning, Analysis.

I. Introduction

Human is taken into consideration as an intellectual capital. But the definition of human capital is not universally agreed upon. Different people use the term in different ways to again certain advantage or espouse particular interests. However, from a review of current literature in the economics of human capital we can draw some conclusions about the definition of human capital and the way its value is established. Some of these conclusions are presented in figure 1.

Explanation of the figure 1 can be clarified as in the following (Odiorne,1989:5):

-The inputs are the system's raw material: People who are born, immigrate. This study is the study of demographics or population.

-Processes include, but are not limited to, education and training at all level. They might also include factors in informal learning, such as communication skills, learning ability, knowledge of one's environment, and ability to adapt to change and to obstacles.

-Outputs may be measured in employment at various levels in all sorts of fields. Employment produces earnings in the form of wages or other rewards

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desired by in the individual. Output might also be expressed as returns to the investor or in social effects in groups such as a government, a society, a community, or a firm. Individuals may have various levels of potential contribution because of past education, experience, or personal qualities. Their actual performance may fulfil all of their potentials or only a very few. The estimation of value-added in the relationship of human input to output is an important element in human capital theory.

-The final element of the system of human capital is the adjustive controls that operate to make the system responsive to change and to maintain its equilibrium. This adjustment is needed because people are sometimes rejected by schools employers, or society due to personal qualities that apparently limit their ability to work at productive tasks. They may need to be retrained or assisted in some other way. Those who are incapable of such retraining may be supported by welfare programs. If the cause of their rejection is health related, rehabilitation may be indicated. Some people find themselves outside the mainstream of the working world because of labour market changes or technological changes. Such changes may call for some kind of government intervention. Finally a low level of worker motivation may produce a need for adjustment in the system of human capital by changing managerial practices in personal and employee relations.

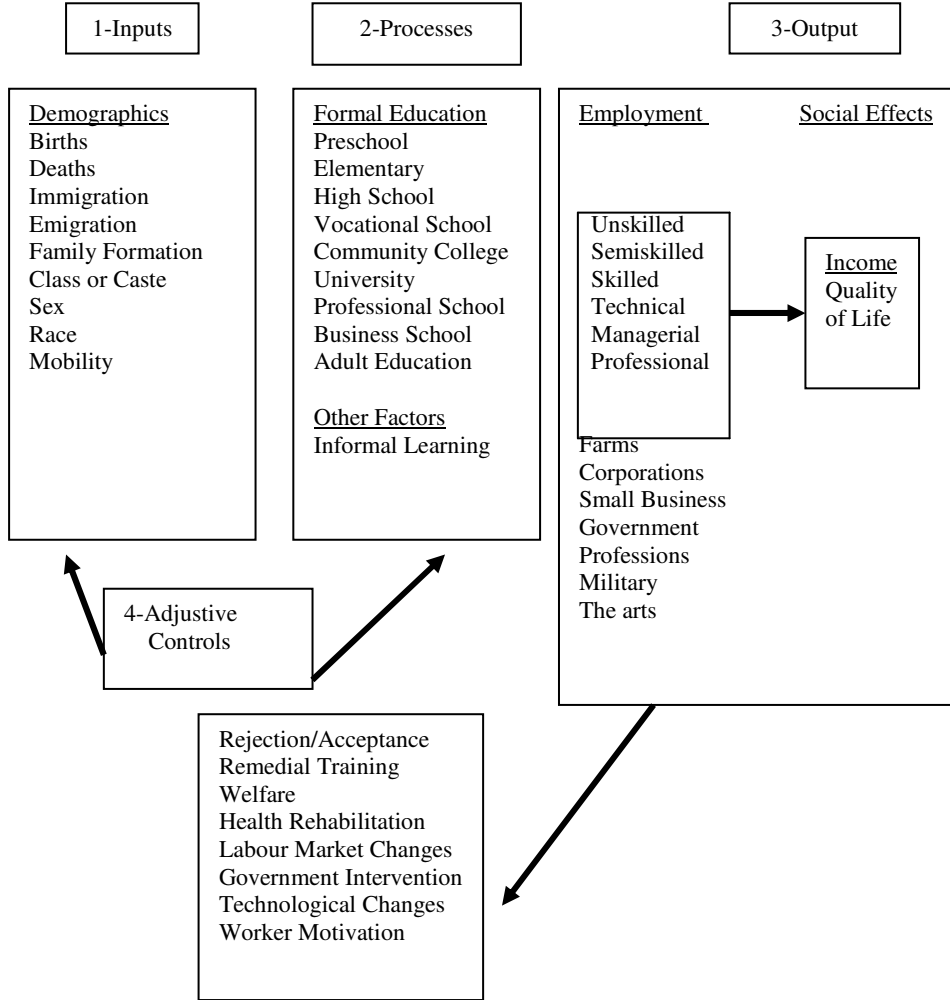


Figure-1: *Human Capital - A Society's Investment in Itself.*
 Source: Odiorne, 1989:6

II. What are Reasons and Definition of SHRP ?

Generally, organizations perform strategic human resources planning (SHRP), either formally or informally. But informal methods are typically unsatisfactory for organizations requiring skilled human resources in a fast-changing labour market. Therefore, all firms should perform the formal strategic human resources planning.

The major reasons for formal SHRP are to achieve (Ivancevich, 1992:146):

- More effective and efficient use of human resources,

- More satisfied and better-developed employees,
- More effective equal employment opportunity planning.

Strategic human resources planning should precede all other human resources management (HRM) activities. For example, how could firms schedule recruiting if firms did not know how many people they needed? How could firms select effectively if firms did not know the kinds of persons needed for job openings? Careful analysis of all HRM activities shows that their effectiveness and efficiency, which result in increased productivity, depend on strategic human resources planning.

On the other hand, employees who work for organizations that use good strategic human resources planning systems have a better chance to participate in planning their own careers and to share in training and development experiences. Thus, they are likely to feel their talents are important to the employer, and they have a better chance to utilize those talents. This situation often leads to greater employee satisfaction and its consequences: Lower absenteeism, lower turnover, fewer accidents, and higher quality of work.

In short, effective strategic human resources planning ensures that HRM activities and programs will be built on a foundation of good planning. Proper planning should cut down on the number of surprises that occur involving human resources availability and placement.

Specifically, strategic human resources planning is the process by which an organization ensures that it has the right number and kinds of people, at the right places, at the right time, capable of effectively and efficiently completing those tasks that will help the organization achieve its overall objectives.

As those reasons, SHRP is taken into consideration as one of the most important elements in a successful HRM program (De Cenzo and Robbins,1988:79).

Strategic human resources planning is defined as the process of determining its human resources needs of organizations in the long-term (De Cenzo and Robbins,1996:127). Strategic human resources planning cannot exist in isolation. Therefore, it must be linked to overall strategies of the organizations.

III. What is Forecasting of Future Supply of Human Resourcesor External Analysis?

Strategic human resources planning should take into consideration many factors out of the organization. Because external environment affects deeply the HR manager's responsibilities and particularly planning process (Palmer and Winters,1993:36). Neutral viewing of the sources of supply out of the organization is a rationalized approach to strategic human resources planning. The main consideration is related to costs (Bratton and Gold,1999:176).

The external, and particularly, the economic/political dimension of education, training and development cannot be escaped. A historical perspective on these spheres of activity highlights significant issues, helps explain the constraints and opportunities they present to organizations, and in consequence, underlines their strategic significance (Lundy and Cowling,1996:9).

The external analysis is a review of legislative, social & demographic, economic, competitive, labour market, and technological trends & changes and the company's assumptions about those trends & changes and how likely any one of them is to affect the company (Cook,1984:56). The external analysis includes planned responses to meet those impacts and is a part of the total strategic human resources planning process. A sample form for completing an external analysis appears in table 1.

Table 1: A Sample External Analysis Table

Investigation Of Labour Market			
Current Conditions and Future Trends	Assumptions	Organizational Impact	Action Program

Source: Cook,1984:57

Recent graduates from schools and colleges are some of elements of the supply of available human resources. This market is vast and includes everyone from high-school graduates to individuals who have received highly specialized training at the graduate level. Entrants to the work force from sources other than schools include homemakers both male and female-seeking full-time or part-time work to supplement the family income; individuals returning to work on a full-time basis in the capacity of primary breadwinner; students seeking part-time work; employees returning from military service; job seekers who have been recently laid off; and so on. Migration into a community, increases in the number of unemployed, and employed individuals who are seeking other employment opportunities also represent sources for the organization to consider as potential additions to its labour supply.

On the other hand, the external environmental factors which are affecting supply of human resources are clarified at a Turkish academic working as in figure 2.

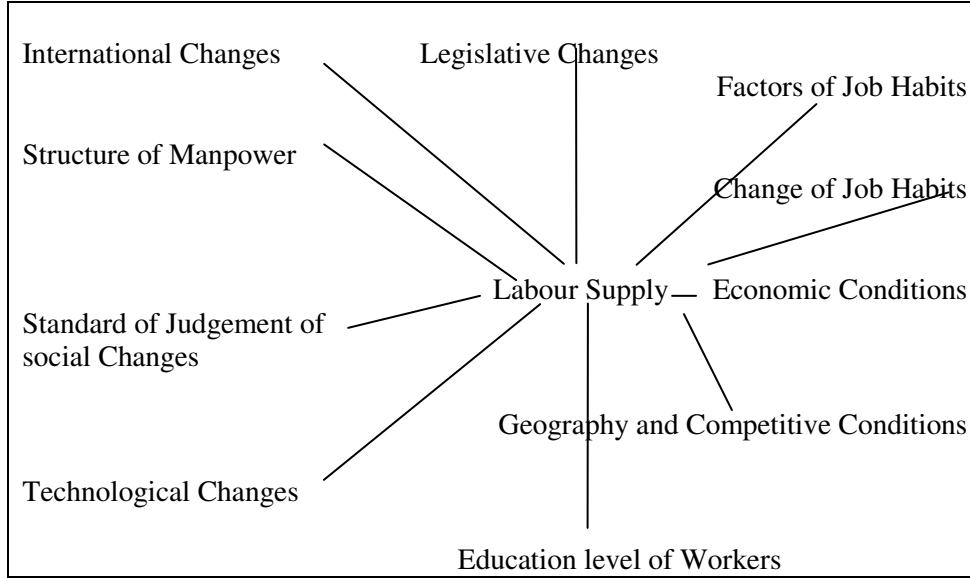


Figure-2: *The External Environmental Factors Which are Affecting Supply of Human Resources*

Source: Bingöl,1998:84

IV. Evaluation of Research Findings

A. Introduction of Population

This research has been put into practice in the biggest 200 industry organizations of Turkey by us. According to data of the Industry Chamber of Istanbul, they had been determined by us. Mentioned firms exported total approximately USD 8 billions in 1999. In addition, they were employing 400,000 people in 1999 (ISO,2000:191).

B. Methodology

We have sent one by one questionnaire form to total 125 firms in the population of the research. 39 firms have answered the questionnaires. Proportionally, the questionnaire forms have been sent to 62,5 percent of the population of the research. And we have got back responses of 31,2 percent of the population of the research. The biggest 200 industry organizations are in different geography areas and cities in Turkey. Therefore, the questionnaire forms have been sent with their stamps by post.

The questionnaire forms have been filled out by the highest human resources managers of the firms. And data have been solved in 10.0 version of SPSS program in a computer. The data are presented by tables. Variables of

research had been tested by chi-square (χ^2) test according to 0,10 significance level.

C. Statistical Evaluation

1. Activity Sectors of The Firms and Dispersion of Percentages of Frequencies

The firms have been getting active in main industrial sectors as in table

2.

Table-2: Activity Sectors of The Firms

Activity Sectors	Number	Percentage
Food	5	0,13
Chemistry	8	0,20
Automotive	3	0,08
Iron & Steel and Mining & Metallurgy	6	0,15
Petroleum and Its By-Products	3	0,08
Textile	5	0,13
Electronic Products	4	0,10
Products Basis on Soil	5	0,13
Total	39	1,00

As you see in the table 2, the firms have been getting active in different sectors. We have taken into consideration August 2000 volume of Journal of the Industry Chamber of Istanbul while we were tabulating.

Furthermore, questions and responses of external analysis stage of strategic human resources planning process are systematized in table 3.

Table 3: Frequencies of Choices and Percentages of Frequencies

	a choice	b choice	c choice
1 st Question (Strategic Human Resources Planning)	20 (0,51)	19 (0,49)	-
2 nd Question (Legislative Trends & Changes)	14 (0,44)	17 (0,53)	1 (0,03)
3 rd Question (Social & Demographic Trends)	3 (0,09)	25 (0,078)	4 (0,13)
4 th Question (Economic Trends & Changes)	17 (0,53)	14 (0,44)	1 (0,03)
5 th Question (Technological Trends & Changes)	18 (0,56)	13 (0,41)	1 (0,03)
6 th Question (Trends & Changes in Labour Market)	10 (0,31)	21 (0,66)	1 (0,03)

As you see in the table 3, 51 percent of the firms have been putting into practice strategic human resources planning.

2. Evaluation of Statistical Relations

a- Statistical relation between 1 st question and 2 nd question of the table 3 is systematized in table 4.

Table 4: *Statistical Relation Between SHRP and Investigation of Legislative Trends & Changes*

Strategic Human Resources Planning	Legislative Investigation			Total
	In detail	In general	No investigation	
Realised	10	9	1	20
Unrealised	4	8	-	12
Total	14	17	1	32

Calculated χ^2 value=1,739

df=2

Table χ^2 value=4,605

H1: There is a significant relation statistically between strategic human resources planning practice and investigation of legislative trends & changes.

According to the outcome of chi-square (χ^2) test, calculated χ^2 value (1,739) is smaller than table χ^2 value (4,605). Therefore, we have rejected H1 hypothesis. Consequently, there isn't a significant relation statistically between strategic human resources planning practice and investigation of legislative trends & changes. In other words, the firms aren't taking into consideration legislative trends & changes in the external analysis which they realise strategic human resources planning.

b- Statistically relation between 1 st question and 3 rd question of the table 3 is systematized in table 5.

Table 5: *Statistical Relation Between SHRP and Investigation of Social & Demographic Trends & Changes*

Strategic Human Resources Planning	Social & Demographic Investigation			Total
	In detail	In general	No investigation	
Realised	2	16	2	20
Unrealised	1	9	2	12
Total	3	25	4	32

Calculated χ^2 value=0,313

df=1

Table χ^2 value=4,605

H1: There is a significant relation statistically between strategic human resources planning practice and investigation of social & demographic trends & changes.

According to the outcome of chi-square (χ^2) test, calculated χ^2 value (0,313) is smaller than table χ^2 value (4,605). Therefore, H1 hypothesis has been rejected by us. Consequently, there isn't a significant relation statistically between strategic human resources planning practice and investigation of social & demographic trends & changes. In other words, the firms aren't taking into consideration social & demographic trends & changes in the external analysis which they realise strategic human resources planning.

c- Statistical relation between 1 st question and 4 th question of the table 3 is systematized in table 6.

Tablo 6: *Statistical Relation Between SHRP and Investigation of Economic Trends & Changes*

Strategic Human Resources Planning	Economic Investigation			Total
	In detail	In general	No investigation	
Realised	11	8	1	20
Unrealised	6	6	-	12
Total	17	14	1	32

Calculated χ^2 value=0,807

df=2

Table χ^2 value=4,605

H1: There is a significant relation statistically between strategic human resources planning practice and investigation of economic trends & changes.

According to the outcome of chi-square (χ^2) test, calculated χ^2 value (0,807) is smaller than table χ^2 value(4,605). Therefore, we have rejected H1 hypothesis. Consequently, there isn't a significant relation statistically between strategic human resources planning practice and investigation of economic trends & changes. In other words, the firms aren't taking into consideration economic trends & changes in the external analysis which they realise strategic human resources planning.

d- Statistical relation between 1 st question and 5 th question of the table 3 is systematized in table 7.

Tablo7: *Statistical Relation Between SHRP and Investigation of Technological Trends & Changes*

Strategic Human Resources Planning	Technological Investigation			Total
	In detail	In general	No investigation	
Realised	11	8	1	20
Unrealised	7	5	-	12
Total	18	13	1	32

Calculated χ^2 value=0,620

df=2

Table χ^2 value=4,605

H1: There is a significant relation statistically between strategic human resources planning practice and investigation of technological trends & changes.

According to the outcome of chi-square (χ^2) test, calculated χ^2 value (0,620) is smaller than table χ^2 value (4,605). Therefore, we have rejected H1 hypothesis. Consequently, there isn't a significant relation statistically between strategic human resources planning practice and investigation of technological trends & changes. In other words, the firms aren't taking into consideration technological trends & changes in the external analysis which they realise strategic human resources planning.

e- Statistical relation between 1 st question and 6 th question of the table 3 is systematized in table 8.

Tablo 8: *Statistical Relation Between SHRP and Investigation of Labour Market Trends & Changes*

Strategic Human Resources Planning	Investigation of Labour Market			Total
	In detail	In general	No investigation	
Realised	8	11	1	20
Unrealised	2	10	-	12
Total	10	21	1	32

Calculated χ^2 value=2,824 df=2 Table χ^2 value=4,605

H1: There is a significant relation statistically between strategic human resources planning practice and investigation of labour market trends & changes.

According to the outcome of chi-square (χ^2) test, calculated χ^2 value (2,824) is smaller than table χ^2 value (4,605). Therefore, we have rejected H1 hypothesis. Consequently, there isn't a significant relation statistically between strategic human resources planning practice and investigation of labour market trends & changes. In other words, the firms aren't taking into consideration labour market trends & changes in the external analysis which they realise strategic human resources planning.

V. Conclusion and Our Suggestions

According to the major conclusion of our study, the firms in population of the research aren't putting into practice external analysis, which they realise strategic human resources planning.

The firms will not be able to take into consideration likely to changes about laws (e.g. labour law) in the future terms because of deficiency of investigation of legislative trends & changes. Therefore, they should investigate in detail about legislative trends & changes in strategic human resources planning process.

The organizations will not be able to take into consideration likely to changes about composition of manpower and structure of population (inhabitants) in the future terms due to deficiency of investigation of social & demographic trends & changes. Therefore, they should investigate in detail about social & demographic trends & changes in strategic human resources planning process.

The corporations will not be able to take into consideration likely to changes about economic booming or becoming small (e.g. key macro changes) in the future terms because of deficiency of investigation of economic trends &

changes. As a reason, they should investigate in detail about economic trends & changes in strategic human resources planning process.

The companies will not be able to take into consideration likely to changes about core and/or practical technological in the future terms due to deficiency of investigation of technological trends & changes. It will also be caused confusion about to be become technological density or basis on manpower density in production lines in estimated term. Therefore, they should investigate in detail about technological trends & changes in strategic human resources planning process.

The firms will not be able to take into consideration likely to changes about manpower features (e.g. quality, quantity and wages) in labour market in the future terms because of deficiency of investigation of labour market trends & changes. So, they should investigate in detail about in labour market trends & changes in strategic human resources planning process.

By and large, all the firms should investigate in detail and carefully each topic of external analysis as a major stage of strategic human resources planning process. In addition, the companies should perform hand in hand together external analysis in SHRP and strategic planning of organization.

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