

## **Critical Incident No:02**

### **Human Resource Planning – What is that?**

You are a human resource consultant. You have been called by the newly appointed president of a large paper manufacturing firm:

**President:** I have been in this job for about one month now, and all I seem to do is interview people and listen to personnel problems.

**You:** Why have you been interviewing people? Don't you have a human resource department?

**President:** Yes, we do. However, the human resource department doesn't hire top management people. As soon as I took over, I found out that two of my vice presidents were retiring and we had no one to replace them.

**You:** Have you hired anyone?

**President:** Yes, I have, and that's part of the problem. I hired a guy from the outside. As soon as the announcement was made, one of my department heads came in and resigned. She said that she had wanted that job as vice president for eight years. She was angry because we had hired someone from the outside. How was I supposed to know she wanted the job?

**You:** What have you done about the other vice president job?

**President:** Nothing, because I am afraid someone else will quit because they weren't considered for the job. But that is only half my problem. I just found out that among our youngest professional employees - engineers and accountants - there has been an 80 percent turnover rate during the past three years. These are the people we promote around here. As you know, that's how I started out this company. As you know, that's how I started out this company. I was a mechanical engineer.

**You:** Has anyone asked them why they are leaving?

**President:** Yes, and they all give basically the same answer. They say that they don't feel that they have a future here. May be I should call them all together and explain how I progressed in this company.

**You:** Have you ever considered implementing a human resource planning system?

**President:** Human resource Planning? What is that?

#### **Questions:**

1. What is the central problem faced by the company?
2. How would you answer the presidents' question?
3. What would be required to establish a human resource planning system in this company?