

**Human Resource Forecasting Assignment**

## I. OBJECTIVES

- A. To give you practice in forecasting an organization's human resource needs.
- B. To familiarize you with some of the factors that affect an organization's future human resource needs (growth, automation, turnover).
- C. To familiarize you with the complexities involved in making human resource forecasts.
- D. To point out that all human resource forecasting is based on assumptions and that these assumptions are critical to the accuracy of the forecast. Incorrect assumptions lead to erroneous forecasts.

## II. TIME REQUIRED TO COMPLETE: One to two hours.

## III. INSTRUCTIONS

You have been given the assignment of forecasting the human resource needs of the National Bank and Trust Company which currently employs approximately 1,100 people. The bank presently has 50 branch offices located throughout the metropolitan area, each of which employs approximately 14 individuals. The bank expects to add 38 branches during the next three years. Branches within the bank differ considerably in size, so the figures given represent averages.

During the past month, the bank has placed an order for 30 automated teller machines to be placed in its old branch offices. These machines are scheduled to be in operation December 31, one year from now. The bank has found that for each new machine purchased, one less teller is needed, on average. A breakdown of the bank's current staffing is shown in Table 1.

The bank has asked you to perform three human resource forecasting tasks. First, based on the assumptions given below, you are required to determine employee turnover for the main office, the old branches, and the new branches. Your boss would like to know this information for each of the next three years and for each of the major personnel categories (i.e., supervisors, tellers/clerical, and main office). Your job is to complete Table 2.

Second, your boss would like to know the number of new employees the bank will need to hire for each major personnel category for each of the next three years. Your job is to complete Table 3.

Finally, your boss would like to know the total number of employees who will be working for the bank as of the end of each of the next three years. Your job is to complete Table 4.

**Table 1 Present Staffing**

<b>Total Employees</b>	<b>1,100</b>
Number of Branches	50
Supervisors per Branch	4
Number of Supervisors	200
Tellers per Branch	10
Number of Tellers	500
Branch Employees	700
Main Office Employees	400

**Table 2 Turnover**

Employee Category	Year 1	Year 2	Year 3
Old Branch Supervisors			
Old Branch Tellers			
Main Office			
New Branch Supervisors			
New Branch Tellers			

**Table 3 Number of Employees to be Hired**

Employee Category	Year 1	Year 2	Year 3
Old Branch Supervisors			
Old Branch Tellers			
Main Office			
New Branch Supervisors			
New Branch Tellers			
Totals			

**Table 4 Year-End Employment**

Employee Category	Year 1	Year 2	Year 3
Old Branch Supervisors			
Old Branch Tellers			
Main Office			
New Branch Supervisors			
New Branch Tellers			
Totals			

In order to complete your assignment, your boss has told you to make a number of assumptions. They are:

- A. You are making all projections in December for subsequent years ending December 31.
- B. With regard to old branches, assume
  1. The 50 old branches employ 4 supervisors and 10 clerical personnel/tellers each.
  2. On December 31 (one year hence) 30 teller machines are placed in operation and replace 30 tellers.
  3. The bank does not terminate any employees because of the new teller machines. Rather, as tellers quit throughout the year, 30 are not replaced.
  4. Turnover is 30 percent for tellers/clerical personnel, and 20 percent for supervisors.
- C. With regard to new branches, assume
  1. New branches are added as follows: 10 in Year 1, 12 in Year 2, and 16 in Year 3.
  2. Each new branch employs 14 individuals (4 supervisors and 10 tellers/clerical).

3. New branches are added evenly throughout the year. Thus, for the purpose of calculating turnover, on average, there are 5 new branches in Year 1 ( $50\% \times 10$ ); 16 in Year 2 [10 in Year 1 plus 6 ( $50\% \times 12$ )]; and 30 in Year 3 [22 plus 8 ( $50\% \times 16$ )].
  4. Turnover is 30 percent for tellers/clerical personnel, and 20 percent for supervisors.
- D. With regard to the main office, assume that turnover will be 10 percent per year.