



**HUMAN RESOURCE PLANNING IN AN UNSTABLE ECONOMY: CHALLENGES FACED. A CASE OF STATE UNIVERSITIES IN ZIMBABWE**



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**ABSTRACT**

*In light of the economic environment prevailing in Zimbabwe, the study sought to explore the challenges posed by economic instability and the effect on human resource planning in state universities. The study was guided by the systems approach for human resource planning. Qualitative approach was used with a case study design. Purposive and convenient sampling was used to draw participants from the university. Data was collected using semi-structured interviews, closed and open-ended questionnaires as well as documentary analysis. Narrative format was used for data presentation while thematic analysis was used to analyse data. The study found out that HRP in state universities has been hampered by the country's unstable economy as the deteriorating economic environment has caused reduced government revenue collection, high unemployment levels, financial illiquidity, low and costly business operation environment, high country debt compared to national income and financial budget cuts. This affected HRP as shown by salary and full time employment freeze, high brain drain, labour mobility, delayed salaries, low availed funds for staff development programmes, tenure, contact and sabbatical leave, high vacancy rates and low government financial support. The study concluded that HRP is complex in an unstable economy as most HRP strategies and decisions require financial resources. The study recommended state universities to review and integrate human resource planning policies to suit the unstable economy prevailing in the country. This can be done through merging University departments, engaging in part-time employment and outsourcing of non-core University functions.*

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**Keywords:** Human resource planning, Unstable economy, Economic environment, Challenges, State universities, Zimbabwe.

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**Contribution/ Originality**

This study contributes to the existing literature focusing on HRP. It seeks to widen knowledge on the challenges to HRP in an unstable economy. Several studies on challenges faced in HRP have been pronounced in academic literature. However this study places much emphasis on challenges faced in an unstable economic environment.

**1. INTRODUCTION**

Human resource is the most important aspect in the organization because organizations are unlikely to deliver without the right people. The process of human resource planning has become a complex matter particularly in ever changing environments, as the instability of the economy increases the tensions between greater need for planning

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and greater difficulties of human resource prediction also increase. According to [Pilbeam and Corbridge \(2010\)](#) human resource planning is a systematic and continuing process of analysing an organization's human resource needs under changing conditions and integrating this analysis with the development of human resource policies to meet those needs. [Mahapatro \(2010\)](#); [Pilbeam and Corbridge \(2010\)](#) note that human resource planning should be future and goal oriented, reduce uncertainty, balance supply and demand of labour and ensure that the organization has the right skills it requires by going through a process that include four stages. The four stages include investigation and analysis stage, forecasting stage, planning and resourcing stage, Implementation and control stage.

These elements make human resource planning to become proactive by anticipating labour deficits and labour surpluses, acquiring and developing required skills. According to [Pilbeam and Corbridge \(2010\)](#) the gaps are identified by the demand and supply forecasts where deficit will imply that an organization should recruit from outside or invest in the available skills while a surplus of human resource may suggest redundancy or redeployment of the human resource. According to [Armstrong \(2011\)](#) human resource gaps may also occur in terms of skills or knowledge which may require an organization to engage in recruitments, promotions or training and development. However, in an unstable economy, it is very difficult to recruit from outside due to brain drain and high labour mobility to greener pastures because of high unemployment in the economy. [Andersson et al. \(2002\)](#) state that the characteristics of the economy greatly influence the way in which organizations approach human resource planning. The human resource planning process is usually successful in a stable environment but complex in an unstable economy. [Fapohunda \(2012\)](#) states that the characteristics of an unstable economy includes high unemployment, shrinking output, numerous bankruptcy, reduced amounts of trade and commerce, currency fluctuations and devaluations, financial crisis and bank failure. In such a turbulent economic environment, organizations usually face rampant human resource planning problems as witnessed in Zimbabwe currently.

According to the [Treasury State of the Economy Report \(2014\)](#) Zimbabwean economy suffered the effects of the global recession as it is experiencing very low and unstable aggregate demand levels that lead to the closure of companies, high unemployment rates, inflation, currency devaluation, drastic monetary policy changes, shortages of foreign currency, decline in business confidence and financial illiquidity causing difficulties in human resource planning. Investment or training and development of the available skills are affected by financial illiquidity caused by economic slowdown. In Zimbabwe, organizations end up having surplus employees because of high input costs as the economic environment has caused organizations to contract their operations and cut production costs which then require fewer employees. [Hipple \(2010\)](#) stated that organizations may over retain employees in a poor economy. This is because employees delay retirement when the economy is not performing well to secure their income. In Zimbabwe, the normal retirement age is 65 but NSSA approves early retirement at 55. In response to the economic challenges in Zimbabwe, early retirement is one of the strategies to control the human resource levels but employees are not willing to go for early retirement because of the poor pensions offered by National Social Security Authority (NSSA). For example the current NSSA monthly pension pay-out is pegged at \$60.00 which can hardly cater for basic needs in an inflationary environment. This affects people's willingness to go for early retirement.

Organizations may also find it difficult to retrench or downsize employees in an unstable economy due to government interventions` to reduce unemployment levels and labour regulations on retrenchment packages which the organizations cannot afford to pay. In Zimbabwe, the Government has tightened retrenchment regulations and conditions for retrenchment making it difficult for employers to manage costs in a low business environment. According to the [The Zimbabwean Labour Act Cap 28:01 \(n.d\)](#) Section 12 C and 12 D, the Retrenchment Board requires the company's salary structure, total wage bill and submission of previous measures that have been put in place to avoid retrenchment for assessing the relevance of the proposed retrenchments. The challenge is that the retrenchment board may reject the organization's retrenchment proposals which leave the organization with surplus labour.

Economic instability in Zimbabwe stems from the unresolved contentions of the land reform program. The country faced economic sanctions from the pre-dollarization era (2000 to 2008) as it was suspended from accessing credit lines from the Breton Wood Institutions (IMF and World Bank). As a result, the government started to print money to solve the problem of funds. The situation led to inflation due to unjustified growth of money supply leading to unstable prices that affected organizations as they could not afford raw materials or labour costs. The post dollarization period in Zimbabwe led to liquidity crunch as the Reserve Bank of Zimbabwe could not manipulate money supply. This affected organizations as they could not find funds for recapitalization or investment. The challenges led the country to adopt a multi-currency system in 2009 (Post –dollarization period). [TSER \(2014\)](#) reported that since 2009, the Zimbabwean economy has never been stable. The post-dollarization period started on a good note as the country realized price stability and an increase in economic growth. However, the country faced a liquidity crunch as the central bank (RBZ) could not manipulate supply of the foreign currency. The country realized a slowdown in economic growth as a result of a debt overhang in relation to the country`s GDP. There was also a reduced national income as a result of the country`s trade restrictions with international countries. The government`s revenue collection also decreased because its back borne (the mining sector) `s production volume and value suffered the effects of the country`s export restrictions. The country faced high unemployment rates as companies were operating at low production levels.

The effects of the afore mentioned economic downturn make it difficult to properly conduct human resource planning especially labour demand and supply forecasts as demand for the product may be difficult to anticipate (demand for labour is a derived one). [Duane \(1996\)](#) opines that an unstable economy leads to changes in consumer behavior, demographic trends and shifts that affect the demand of an organization`s product or service. Resultantly, this affects human resource planning as labour demand forecasts depend on the product or service demand. Economic instability causes consumers to lose confidence in the growth of the economy, therefore choosing to spend less. This leads to decreased demand for goods and services leading to a decrease in productivity which in turn affects human resource planning. In a poor economy, potential buyers are more concerned with basic commodities. The [Workforce Connections Report: Zimbabwe Labour Market Assessment \(2014\)](#) announced that the household level investment in education had dropped as a result of financial constraints posed by the economic environment. This affects income for higher and tertiary institutions thereby affecting labour demand and labour supply in universities. Human resource practices like recruitment and training and development are also affected as they require financial support. The Zimbabwean Government measures of monetary resource utilisation through International Results Based Management System (IRBM) to curb lack of funding and budgetary constraints in public sector led to full time employment freeze, restricted pay increases and pay reductions causing complexities in human resource planning. More so, the [Treasury State of the Economy Report \(2014\)](#) showed that, the Zimbabwean Labour market was characterised by high labour supply and low labour demand leading to high unemployment owing to low capitalization and low production environment. If unemployment is high, the employer`s potential external labour pool is also large however employers may fail to filter out the best human resources who have the appropriate experience or skills required by the organization. High unemployment has also influenced employee perceptions of job permanency and job security; causing brain drain of national human resource. The [ZIMSTAT \(2014\)](#) reports that labour mobility is on the increase in Zimbabwe and potential skills are moving from the country because of economic recession and are moving to growing economies particularly the SADC and Diaspora. The [ZIMSTAT \(2014\)](#) reports that more than 2 million of Zimbabwe`s` skilled labour force have migrated to other countries in search of economic opportunities. According to the [Zinyemba \(2014\)](#) the subdued FDI due to perceived country risk leads to high interest rates which reduce the borrowing power of companies especially in the public sector. Companies are no longer sure of their viability in such prevailing economic conditions that have caused a significant change in the world of work. Thus employers prefer to wait until they view the future environment clearly before they commit their resources. This has impacted human resource planning as the instability affects predictions or forecasts with regards

to the employees` tenure or stay in the organization. Such developments are detrimental to human resource planning and this becomes difficult to hire the right staff for the right jobs at the right time due to lack of necessary resources leading to a piece- meal approach to human resource planning which defeats the whole aim of human resource planning. According to [Hipple \(2010\)](#) the forecasting and supply of people in an unstable economy is affected as the number of people choosing to participate in the labour market is low due to low salaries, job insecurity and retrenchments. The economic situation is also affecting Higher and tertiary institutions` human resource planning efforts. State universities employ a large number of academic and non-academic staff and offer an ever increasing number of degree and diploma programs which may require additional staff in a normal situation. Strategic planning processes in Zimbabwean Universities have coincided with the launch of the Zimbabwe Agenda for Sustainable Socio-economic Transformation (ZIMASSET), and as a result, its strategic planning process is aligned to ZIMASSET to further the national agenda. The key priority for state universities under ZIMASSET is “Human Capital Development. As the Universities strive to place the right person at the right place and right time, they are not immune to the economic challenges that affect human resource planning. The Government`s revenue collection is decreasing due to contraction of the formal sector, and it is proposing to cut whole funding to state universities. The cumulative decline in state support cause financial pressure on state universities thereby impacting on their commitment to human capital development. Thus in most state universities some departments are understaffed while others are over-staffed and there are gaps in academic or teaching staff due to Government`s full time employment freeze.

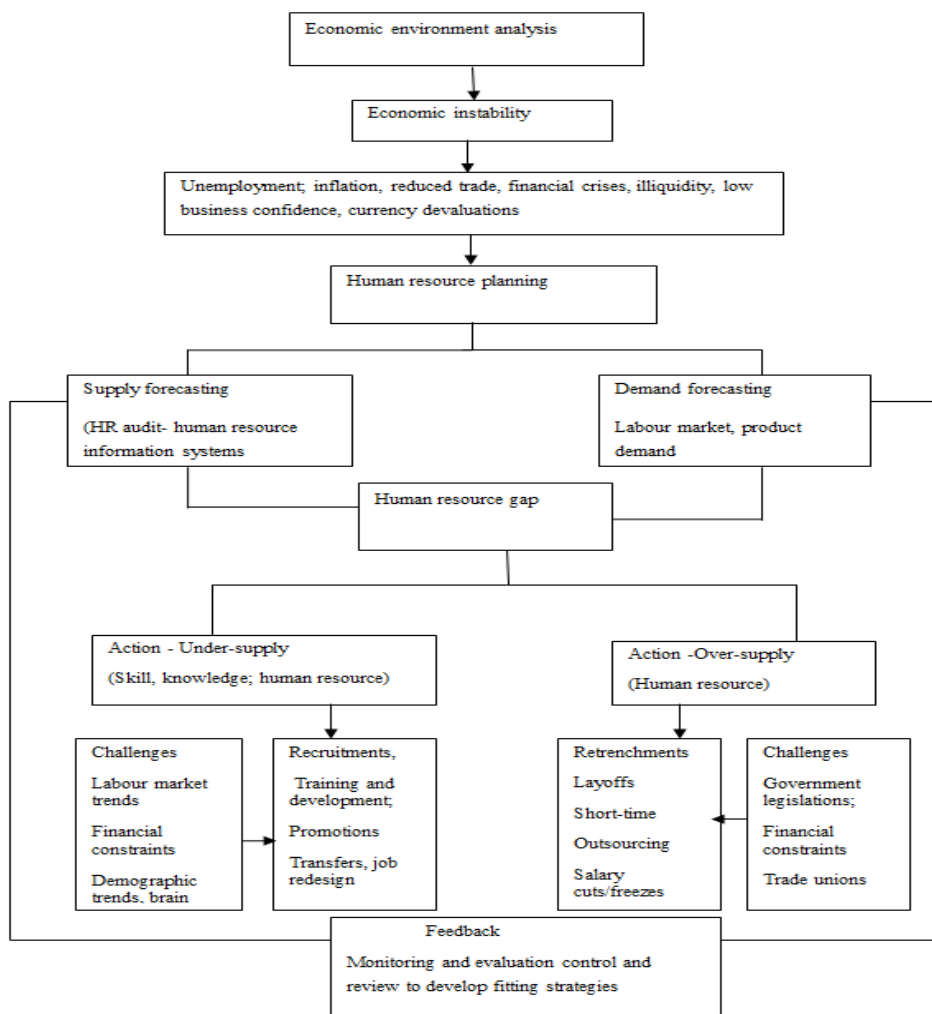


Figure-1. The systems approach to human resource planning.

Source: Eldridge (1998)

According to Kotecha *et al.* (2012) the Zimbabwe Council on Higher Education (ZIMCHE) has been increasingly concerned about the negative impact of the high vacancy rates registered in many departments of the country's state universities. This affects the major concern for strategic human resource planning in state universities which is to improve the quality of academics and researchers in Zimbabwean Universities. All state universities plan to increase the number of teaching staff with Doctorates by 2017 as per the directive given by the minister of higher and tertiary education professor Jonathan Moyo. This would require financial assistance for travel, tuition, academic and related costs, however, given the current economic situation prevailing in the country a lot of challenges are going to be involved. It is in view of this that a study had to be conducted on the higher and tertiary institutions' challenges of HRP in an unstable economy. The objective of the research was to identify the procedures and practices for human resource planning engaged by state universities and to explore the economic challenges affecting human resource planning in these universities.

The research is guided by the systems approach for human resource planning modified by the researchers.

The systems approach for human resource planning involves analysis of the economic environment, supply forecasting, demand forecasting, action, feedback, evaluation and continuous review of every stage for successful human resource planning. Environmental analysis is necessary to understand the economic situation prevailing in the country and how the characteristics of the economy affect human resource planning. In the human resource supply forecasting stage, the organization conducts inventory management to assess the effectiveness and capability of the current and available internal human resource to meet the organisational goals. The framework shows that economic instability affects human resource planning as the organization may fail to predict the tenure of employees in the organization as there is high attrition, labour turnover and absenteeism due to continuous search for better opportunities. In the demand forecasting stage the framework shows that in a low business economic environment, labour demand forecasting is affected as there are distortions or inaccurate data pertaining to the customer buyer behavior which leads to complexities in human resource planning. In an under-supply situation, the human resource planning strategies like recruitment and selection of specific skills or promotions and training and development are affected by brain drain of potential employees to other stable economies. Financial constraints also affect human resource planning strategies as organizations may fail to fund the training and development and promotions. The framework also shows that in an over-supply of labour situation, retrenchment or layoffs, salary cuts or short-time working are suitable human resource planning strategies. The strategies are however affected by financial constraints as a result of non-availability of funds due to low product sales. The framework also states that feedback and evaluation is necessary in an unstable economy for organizations to regularly monitor and check the economic environment's impact on the planned staffing requirements and planned programs. This stage is necessary to improve on the supply and demand forecasts and to check for compatibility between human resource strategies and the economic environment for effective human resource planning.

## 2. RESEARCH METHODOLOGY

The research used qualitative approach. The approach was suitable in this study because it enabled the researcher to capture the participants' views of the challenges of human resource planning in their natural experience. The research used a single case study to obtain an in depth understanding of the challenges faced by state universities in human resource planning in an unstable environment. The researchers used purposive sampling and convenient sampling. Purposive sampling was used to increase the opportunities of selecting participants who are directly involved in human resource planning because the university has a multi-campus system meaning a widely dispersed population. The researchers also used convenient sampling to cut costs by interviewing respondents readily available until the sample population was reached. The research used both primary and secondary sources of data. The researchers used semi-structured interviews and questionnaires with 17 respondents being interviewed and 63 questionnaires being administered. The researchers also used company publications, policies and notices.

Data was presented mainly in a qualitative manner by means of a narrative form but a quantitative approach was used to compliment the qualitative approach in the form of tables. The narrative approach allowed data to be presented in a written or textual way. The researchers used the thematic analysis to analyze data. The researchers used thematic analysis because it is considered the most appropriate for any study that seeks to discover using interpretations (Miles and Huberman, 1994).

### **3. DATA PRESENTATION**

#### **3.1. Response Rate**

Eighty employees participated in the research. Seventeen managers were interviewed and sixty three non managerial employees responded to questionnaires. There were fifty one males and twenty nine females who participated in the research with age categories of one participant in the sixty to sixty nine age group, two respondents in the twenty to twenty nine age group, forty one in the thirty to thirty nine age group, twenty seven in the forty to forty nine and nine participants in the fifty to fifty nine year age group. The level of education for the respondents indicated that the least qualified person (one) had a National certificate, the highest number of respondents (forty seven) had Masters Qualification and the highest qualified respondents held doctorates (five). Majority (thirty seven) of the respondents had the least working experience between one - five years of experience and sixteen respondents had the most experience with eleven – fifteen years of experience. The respondents were made up of Administrators, Chairpersons, Deans, Directors, Deputy Registrar, Lecturers, Principal Officer, and Secretaries

#### **3.2. Economic Challenges Affecting Human Resource Planning in State Universities**

The thrust of the study was on investigating challenges faced by HRP in an unstable economy. The following presents economic challenges faced.

##### **3.2.1. Decrease in Government Funding**

Eight middle managers and thirty eight non- managerial employees agreed that the unstable macro-environment caused liquidity crunch because of the use of foreign currency. They explained that the US dollar was in short supply as the government could not control its access thereby affecting disbursement of salaries, allowances and training and development funds required for skill development. Sixty non-managerial employees agreed that financial constraints affected other conditions of service especially contract and sabbatical leave for tenured staff as the University did not have money to sponsor such. One senior manager agreed that Academics were now discouraged as they had been in the organization for three years, published articles required for tenure but the University could not afford to tenure them. fifty seven non- managerial employees also stated that a decrease in government funding limits the number of workshops and conference attendance for staff as the University could not afford travel, accommodation and fees for attendance; leading to a skills gap which affected the contribution of human resource to the organization.

Forty eight non-managerial employees and nine middle managers agreed that lack of resources by the government also led to low employment and salary freezes which affected recruitment of additional staff in response to University expansion in terms of new programs. One non managerial employee revealed that the treasury department imposed a salary and employment freeze since 2014 due to financial problems causing work overload in other departments thereby affecting service quality.

Secondary data showed that the total vacancy rate for teaching staff as at August 2015 was 36% for all departments and total vacancy rate for non-teaching staff was at 18, 8%. New developed Programs that included Culture and Heritage Studies and Agriculture and Natural Sciences were the hardest hit as they had teaching staff vacancies at 58, 3% and 35, 7% respectively owing to employment freeze by the government.

Thirteen non- managerial staff agreed that the unavailability of such funds was also caused by the competition among public Universities over scarce finances which affected salary payments. One non-managerial staff noted that

staff was not motivated because the University did not have a fixed pay date. Secondary data sources used also revealed that bonuses for the year 2014 were delayed and were only paid in May 2015. The university Strategic plan (2014-2018) also revealed that the Government was failing to meet the University's needs because of financial constraints. The plan stated that in 2014, the University requested for US\$150 million but only received US\$900 000 which was less than 1% of the required funds thereby affecting human resource planning strategies like training and development and recruitment as a result of financial constraints.

### **3.2.2. Unemployment and Brain Drain**

One top manager, five senior managers and forty three non-managerial employees revealed that the economic instability in the country had led to high unemployment rates; high labour mobility and brain drain as most experienced people left the country for greener pastures. The manager explained that the University had incurred increased costs of advertisement as some posts failed to attract candidates after placing adverts in newspapers. The manager indicated that the University ended up recruiting inexperienced workers who usually resigned as they failed to cope with University expectations.

The manager further stated that the economic situation had caused over- and under-estimates in other departments as human resource estimates were difficult because of the unpredictable economy and labour market dynamics which were also affecting student enrolment. One male non managerial employee also stated that “ *High unemployment in the country causes a decrease in student enrolment as parents fail to source funds to pay student fees* ” . He further stated that it led to incorrect estimates because the student enrolments anticipated were lower than the actual numbers because of high unemployment levels. This was worsened by July 15<sup>th</sup> Supreme Court ruling were employers were allowed to terminate employment for permanent employees based on 3 months' notice. The manager explained that this led to a lot of parents losing their jobs and respective incomes and most could no longer afford to pay tuition fees for their children thus resulting in low enrolment. One lecturer explained that in some instances students would come for lectures without paying their tuition fees until exam time because the parents could not afford to pay resulting in students deferring their academic studies. The lecturer said this affected viability issues were lecturers were to be paid allowances for teaching the students yet the students were not paying the fees.

### **3.2.3. Poor Economic Growth and Debt Overhang**

One non- managerial employee, two senior managers and one top manager agreed that there is an economic slump in the country as the Government has a high debt compared to its income. One non-managerial employee explained that, the country's debt- GDP ratio was more than 100% which affected government support to the public sector. The negative growth affected career promotions and career progression of employees. One senior manager indicated that “ *Senior lecturers were getting frustrated because of the absence of career progression as they were now in the same level with junior lecturers* ”. However the manager explained that the university could not afford to sponsor their career progression because of the inability of the government to fund these programs.

One senior manager also expressed that though there were limited job alternatives for employees due to the harsh economic environment they had reduced their level of productivity as pay increases had been stopped and were inconsistent as a result of reduced financial support. However he stated that this situation was bad because it meant once a person got an alternative job they were going to resign.

## **3.3. Strategies Implemented in Response to the Economic Challenges**

### **3.3.1. Engagement of Part- Timers**

One senior manager and one middle manager agreed that in this unstable economy, the University hired part-timers in security department and teaching departments since they could not offer permanent employment because of the employment freeze. The senior manager indicated that the University also seconded some non-teaching staff with

qualifications to the understaffed teaching departments to teach modules part time as they also did their office work. One senior manager highlighted that *“Hiring part-timers is a cheaper way of increasing staff in understaffed departments as it saves costs on pensions and other full time benefits”*.

### **3.3.2. Salary Advances and Allowances**

Forty three non managerial employees, four middle managers and three senior managers agreed that the University gave employees' salary advances each month to cushion them as they wait for disbursement of their salaries from the Ministry which was no longer predictable. One lecturer stated that even when an employee is bereaved or has personal problems they are able to apply for a salary advance to assist them before receiving of salaries.

### **3.3.3. Housing Schemes**

Fourteen non- managerial employees in the 6 to 10 working experience, six middle managers, and one top manager agreed that the University assisted employees with a housing scheme based on length of service. They agreed that the scheme was being administered by Old Mutual Pension fund and CABS. One middle manager explained that the University assists employees with housing purchases by utilizing part of their pension contributions and the scheme applied to all permanently employed members who were beneficiaries of the Old mutual pension fund. One senior manager highlighted that the scheme cushions employees in this economy as housing rentals are unaffordable considering the low and delayed salaries. One managerial respondent stated that this was also a retaining strategy they were using to reduce labour turnover.

### **3.3.4. Acting Allowances**

One male middle manager and one female senior manager agreed that due to the employment freeze, the University had a high vacancy rate and to ensure work efficiency, the University appointed appropriately skilled or experienced employees within the organization to discharge duties of the other employee in their absence or for vacant posts until the Government authorized recruitment to fill such posts. He went on to state that for those who were in these positions for a given period they would be given an acting allowance to motivate them as some were now complaining about the extra work. Some however as mentioned by one non managerial employee had been acting in the positions for a long period but they could not be permanently employed in that post because of the government recruitment freeze.

### **3.3.5. Free Transport**

Since there are delays in terms of salary disbursements, management provided free transport to employees. Three senior managers and twenty six non- managerial employees agreed that the University offered free transport to cushion employees as their salaries were very low. One middle manager explained that the University had a staff bus that ferried staff to and from work daily from all the residential locations. However, thirteen teaching staff members stated that they used their own vehicles to commute to work because of their working hours.

## **4. DISCUSSION**

### **4.1. Economic Challenges Affecting Human Resource Planning At GZU**

#### **4.1.1. Decrease in Government Funding**

Responses revealed that there was a decrease in government funding since 2009. The responses show that financial constraints affected the availability of required human resource and skills due to recruitment freeze caused by financial challenges. According to Lipscomb student (ND) when recruiting budgets are reduced or if there is employment freeze HR managers will struggle to effectively find talented employees when they need them. The



decrease in funding was as a result of low revenue collection due to a shrink in the formal sector and low trade with other countries. Thus it was not feasible for the government to fund staff development when it was complaining of high employment costs. This challenge validates Zinyemba (2014) 's view that Zimbabwean organizations face human resource planning challenges due to financial illiquidity as the institutions fail to avail money for some HRP activities that include recruitment, promotions, staff development and training. When organizations cut the HR budget it makes it difficult to predict the supply of labour because people will not be willing to supply labour to an organization that does not offer them promotions or career development.

TSER (2014) confirms that Zimbabwe was suspended from accessing credit lines from Breton Woods Institutions and got economic sanctions that caused export trade restrictions. This limited government funds and hampered the institution 's commitment to the conditions of service as the university could no longer pay salaries on time let alone bonus. The government failed to make provisions for funding contract and sabbatical leave for academic staff in state universities. Absence of such conditions of service negatively affected motivation of staff and affected the quality of service offered to the clients. This was supported by Mushonga (2005) cited in Mapolisa (2014) that most state universities in Zimbabwe offer poor conditions of service that lead to high turnover as a result of poor salaries. When companies are facing financial challenges then they will be less willing to invest in HR programs which restrict HR planning and its ability to attract and retain labour.

#### 4.1.2. Unemployment and Brain Drain

Findings from the research indicated that the university was not greatly affected by high unemployment rates in the country. This was because the institution was amongst better employment organizations in the country in a turbulent economic environment. Thus the institution always had a ready supply of labour due to abundance of skills in the labour market. The finding diverges with Taylor (2009) 's view that economic instability causes high unemployment which affects a ready supply of human resources required by organizations. It could also be because some employees work for the institution due to lack of choice considering the high unemployment in the country. This could be the reason why the university does not have career planning but a limited training and development as there are ready employees in the labour market. Liscomb student (ND) highlights that employers during such times might be relaxed because the perception maybe that employees should feel lucky to have a job in such situations of high unemployment since voluntary turnover decreases.

Therefore it could be the reason why most organizations restrict their resources to HR in situations of excess supply than demand because they have greater bargaining power. TSER (2014) showed that, the Zimbabwean Labour market was characterised by high labour supply and low labour demand leading to high unemployment, giving the employer greater bargaining power. The inability to pay also led to the loss of employees in the university. As one manager explained, the University had incurred increased costs of advertisement as some posts failed to attract candidates after placing adverts in newspapers.

The manager indicated that the University ended up recruiting inexperienced workers who usually resigned as they failed to cope with University expectations. This agrees with Tucker 2009 as cited in Liscomb student (nd) who states that tightening economic situations could force people to enter the workforce more quickly than they would during an economic expansion. Hence the university is taking newly graduated students as lecturers and these are not competent enough. The labour market has limited supply for highly qualified employees because as stated by ZIMSTAT (2014) labour mobility is on the increase in Zimbabwe and potential skills are moving from the country because of economic recession and are moving to growing economies particularly the SADC and Diaspora. With such high levels of mobility it becomes difficult to predict labour supply and to retain highly qualified employees in the organization (Ncube, 2002).

#### **4.1.3. Poor Economic Growth and Debt Overhang**

The research showed that Zimbabwe's low economic growth and huge debt caused financial challenges to the institution. A low business environment affects Government efforts to pay back loans offered by IMF and World Bank leading to a financial support ban by these institutions in times of financial need. The [ZIMSTAT \(2014\)](#) Quarterly Digest agrees that the country had a high debt compared to its national income thereby affecting financial support to public sector operations. This would also affect state universities as data revealed that there was no career progression or promotions at the university as a result of financial constraints. Lack of promotions or career progression affected employee commitment. The poor economic growth and debt overhang also led to employment and salary freezes causing incapacitation and overburden of work and inefficiency in the departments with high vacancy rates. The overburden was worsened since the university was employing inexperienced graduates because of limited supply in the market. All these challenges are as a result of the economic challenges being faced in Zimbabwe.

Experienced employees during recession time might want to go acquire more human capital so as to be marketable. This is true of employees in Zimbabwe who are striving to acquire more education so as to penetrate international markets, and most university lecturers are working towards acquiring their doctorate. Therefore if the university fails to develop their careers these employees will leave and look for other institutions that are funding acquisition of doctorates. Research showed that senior lecturers were getting frustrated because of the absence of career progression as they were now in the same level with junior lecturers. Such circumstances make it difficult for HR to adequately staff themselves with talented employees and to retain those in the organization because employees are just waiting for a better alternative. The human capital investment theory states the pull of good opportunities in future places is stronger than the push of poor opportunities in the areas people are in. So this implies that individuals might not leave the university now because they do not have a better alternative however the university will not be able to retain them if a good opportunity arises.

### **4.2. Strategies Implemented in Response to the Economic Challenges Affecting the University**

#### **4.2.1. Salary Advances and Allowances**

The findings showed that the university offered salary advances and non-refundable allowances to manage the economic situation. According to [Mupemhi and Mupemhi \(2011\)](#) allowances are a relief to employees as they boost employees' disposable income. Given the salary delays due to unavailability of government funds in the country allowances motivate employees to stay and ensure that the organization retains its human resources. The offering of salary advances under conditions of economic distress will show employees that the university cares about their personal problems hence appealing to their inner being and contributing to retention. Since there is competition among state universities to attract and retain this will help give the university an advantage over its competitors.

#### **4.2.2. Housing Schemes**

Another strategy emerging from the research was the offering of accommodation assistance to staff members through their part pensions administered by Old Mutual pension fund. The strategy retained employees considering accommodation challenges and high rentals in an environment where salaries were delayed and pegged at a low rate. This strategy would also aid HR in retention as the housing scheme will tie the employees to the university. At the same time rentals are a challenge especially when salaries are not coming on time so offering people ownership of homes will be a great determinant to retain them.

#### **4.2.3. Acting Allowances**

Findings reveal that the institution gave acting allowance to employees for performing tasks in senior posts. This implies that there is work efficiency as an additional salary for extra work is a strategy for motivating and ensuring

that the acting employees reach the desired performance levels. Seeing the university is struggling to fill up vacant posts offering acting allowances guarantees the university that the job will be done. If they do not offer such allowances it means fewer employees will be willing to engage in more work. This will mean demand for labour will not be catered for.

#### 4.2.4. Free Transport

Findings reveal that employees benefit from the free transport services as transport is provided to and from work. This shows that management is concerned with the employees' welfare by providing transport at a time when salary disbursements are late. The strategy is effective as it ensures that employees continue to work despite late salaries by the government. According to [Armstrong \(2010\)](#) free transport increases job satisfaction and performance. This also allows workers to maintain their disposable income in the Zimbabwean economic environment characterised by illiquidity. Free transport also ensures that people come to work every day. This is because with salary delays people might not show up for work because they do not have transport money so by giving them transport the university ensures steady supply of labour every day.

#### 4.2.5. Engagement of Part-Timers

Engaging in part-time workers is the ideal option considering employment freeze by the state. Due to the employment freeze by the government, engaging in part time workers enabled the institution to access extra skills when needed at the same time it allowed the institution to manage the cost of employment as it was cheaper than permanent employment This confirms [Taylor \(1998\)](#) view that organizations can cut costs associated with employing permanent staff for example, pension by employing part time employees which are only hired when they are required. This will help the institution to manage the unpredictable demand because of fluctuating enrolments. Part timers allow them to employ more when there is need and not to employ if there is no need. Such will ensure that the university does not incur costs of permanently employing people who are not fully utilized.

## 5. CONCLUSIONS

The research discovered that human resource planning is a crucial activity in the organization that ensures the organization is adequately staffed with the right number of employees who have the right skills now and in the future. However, the activity is complex in unstable environments currently obtaining in Zimbabwe. It was discovered that economic challenges have resultantly reduced government's revenue generation needed to support public institutions like state universities. The financial constraints faced by the state university affect human resource planning as witnessed by difficult human resource forecasting, low availed funds for staff development and other conditions of service like contact and sabbatical leave, recruitment; salary and promotion freeze which affects skill development, retention and recruitment of additional staff required for efficient human resource contribution to the institution. However the university had introduced various interventions such as housing schemes, salary advances and provision of transport to and from work as a way of managing HRP challenges faced in an unstable economy.

## 6. RECOMMENDATIONS

In view of the above mentioned challenges of human resources planning in an unstable economy faced by the university, the following recommendations were made:-

- Outsourcing non-core activities like security and canteens and offering part-time employment to help reduce labour costs as the institution will hire when their service is required.
- The University should also come up with income generating projects to increase financial base to sustain human resource planning activities. Venturing into agriculture may assist the institution as it has University farms and available expertise from the faculty of Agriculture.

- The Automation of University functions especially Bursary and Admissions would also reduce labour costs as number of employees will be reduced to fit with the availed human resource budget provided by the government.

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