

# Human Resource Management

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**Abstract-** Obviously, due to scarcity of skilled workforce organizations are establishing and consistently modifying HR Plan to stand out in order to attract and retain the best talented workforce necessary for efficiency, enhanced organizational productivity and profitability. Scrummy Food, Inc. is a young company that has the desire to increase its market share and beating competitive edge through a systematic market system enhanced by talented and skilled workforce but lacks the capacity of well-established human resource department with goal oriented HR manager. The human resource plan (HRP) is the paramount responsibilities of the human resource department headed by the HR manager who is responsible for the establishment and execution of the HR Plan which is a scheme that enables companies to plan ahead in order to maintain a steady supply of skilled workforce, evaluate organizational needs and as well plan ahead to meet those obligations. HR planning plays a significant role in an organization because since employees are the most internal valuable assets of the company, they should be available when needed, placed in appropriate positions, given trainings, benefits, compensations and be rewarded adequately.

**Index Terms-** management, human resources, planning, diversity, recruitment, selection, training, compensation, benefits, retention, bonus

## I. INTRODUCTION

Organizations embark on human resource planning (HRP) to enable them move from the current skilled workforce position to the desired skill workforce position, and is a process that begins with the company's estimation for employee requirements and thereafter sources are found from where this need can be fulfilled (Kenton, 2019). HR Plan is mostly vested in the hands of the human resources manager who is responsible for the arrangement of the appropriate people for the right job from all the variable sources (Kenton, 2019).

Obviously, investing in HRP is one of the most crucial decisions an organization can make because "a company is only as good as the employees" (Kenton, 2019), therefore, many organizations especially young companies are undergoing rapid changes especially due to globalization and technological advancement and innovation couple with their inclination to return to their normal positions of efficiency and profitability caused by the last economic downturn. Thus, companies are striving to win and retain the best and most talented employees in order to beating competition, innovate and increase productivity and profitability (Armstrong and Stephen, 2005). However, the human resource department of many large organizations are developing their HR

Plan with the notion of attracting the most lucrative employee for efficient workforce.

Obviously, some national organizations continue to develop and change their HR Plan to attract and hire quality candidates and as well position them appropriately through periodic examination of employment needs, forecasting demand and supply of employees, and enhanced policies of recruitment, training, performance appraisal and benefits (Maharjan, 2018). Furthermore, to get the best outputs the HR Plan of many organizations now include attractive compensation and benefits packages rooted in their organization's culture, purpose and values because compensation and benefits are essential in the recruitment, retention and motivation of employees (Lonsdale & Milano, 2016).

Certainly, effective training of employees is crucial to the long-term success of any organization, thus, carefully planned and properly implemented training programs provide multiple benefits for the employees (Anderson, 2012). HR Plan benefits the company because it leads to clear understanding of the company's policies, job functions, goals and the company's philosophy thus leading to increased employee motivation, morale and productivity as well as higher profits for the organization (Muzumdar, 2017). Certainly, companies with the most strategic training programs will develop the needed skilled workforce to cope with the challenges of the fast complex technological changing business environment.

Furthermore, being a preferred employer is integral to competing for talent, because job applicants do not like to take jobs with employers who have little or no defined HR plan and employees discriminate against employers who take their contributions for granted (Maina & Kwaisira, 2015). However, candidates prefer to apply for job openings with clearly defined recruitment processes, descriptions of their work duties, opportunities for growth and development, and company's policy on compensation and benefits (Maina & Kwaisira, 2015). Therefore, to be a preferred employer, the HR Plan should be structured in way that it will attract the most desired talents from candidates, and fortified with the elements that will fulfill people training and development, compensation and benefits needs (Maina & Kwaisira, 2015).

Apparently, organizations continue to embrace performance management as a holistic, largely participatory and goal congruent process of managing and supervising employees, however, it is viewed as a methodical, structured procedure to the management and reward of performance through the generation and sustenance of positive employee motivation (Narayana, 2010). Moreover, organizations are adopting performance measures that will lead to the most accurate appraisal of their

employee performance because it is through performance measurement outcomes that employee's future training mostly depends on (Anderson, 2012).

This project focuses on HR plan for Scrummy Food, Inc. with the view of providing the company with a fundamental Human Resource Plan in the areas of recruitment and selection, training, compensation and benefits, performance management respectively. This project is essential because it will supply Scrummy Food, Inc. with cutting-edge HR plan essential for the attraction, recruitment and retention of some of the most knowledge and skilled employees necessary for achieving its long term goals of productivity and profitability.

## II. DISCUSSION

Scrummy Food, Inc. is a foreign owned food packaging and Distribution Company located in Europe, it was established 5 years ago. The company currently employs 250 people and has a combined revenue of \$12,800,000 and profit of \$1,600,000 annually. Scrummy Food, Inc. is a company that packages, sales, and distributes various types of foods in major designated areas of the state such as canned food, grains, tubers, vegetables, and snacks, carbonated and non-carbonated drinks.

Scrummy Food a is growing company with the prospect of becoming one of the leading food distribution companies, however, it intends to acquire more distribution trucks to enable it attain its desired status of a big food distribution company. The company plans to hire more employees in the future to enable it pursue its expansion drive, however, the company is currently operating mostly with traditional employees, Therefore, many of its employees are yet to establish a long-term career goal with the company due to lack of well-established human resources department with a goal oriented human resources manager. Obviously, Scrummy Food, Inc. faces brand competition from other companies who also fight along with it to gain market niche and win the acceptance and admiration of customers, to remain on top. The company faces competition from other food distribution

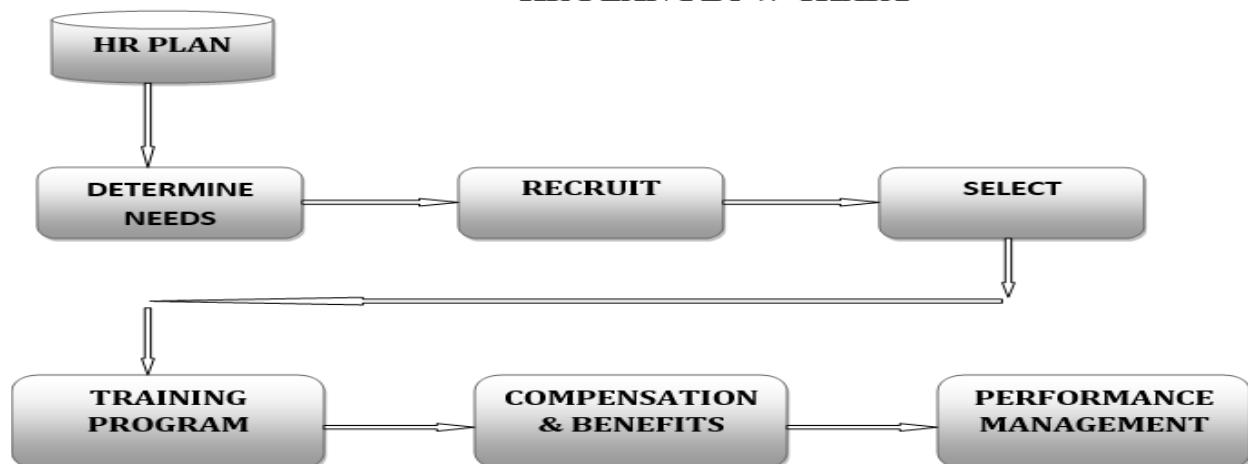
companies especially those that have stayed in business for years before its establishment.

## III. DETERMINING HUMAN RESOURCE NEEDS

The first step of HR plan should involve the determination of the number of people needed to be hired coupled with order factors, thus, this step entails examination of Scrummy Food operations over the last year and pondering on specific questions to determine whether enough people were hired, whether the HR struggled to hire people at the last minute (Green, 2016). More so, this is the time to determine the company's current employee skills, the skills the employees need to gain to keep up with technology, the number of employees to be replaced due to retirement and whether there is someone available to replace them, the company's sales forecast and whether it might affect hiring (Green, 2016). To obtain accurate estimate of recruitment needs for now and in the future, other departments, managers and executives should be involved. Thus, it is a management function to assist the human resource manager to develop the HR Plan in order to recruit, select, train and develops employees for the company (Kenton, 2019).

To help determine the exact number of employees due for retirement and who will be absent needing temporary replacement, Scrummy Food should prepare an inventory of all current employees including their educational level and abilities because this will give the manager the big picture of what current employees can do (Kenton, 2019). Thus, keeping inventory will assist the HR manager to know where there are the likelihood for the existence of gabs and enables the filling of such gaps, more so, it can serve as a tool to develop employees' skills and abilities (Green, 2016). The company should also conduct job component analysis to fully understand the types of employee skills required to perform the job successfully, however, after the performance of the needs assessment and the comprehension of the exact number of people that will be hired, into what positions and time frame they need to be hired (Kenton, 2019), the next thing is recruitment.

*HR PLAN FLOW CHART*



#### IV. RECRUITMENT AND SELECTION

Recruitment and selection is directly linked to an organizations performance, productivity, profitability and turnover, however, finding the right candidate requires prudent planning, organizing, directing and control before the interview process, to ensure the hiring of trusted candidates with good proven track record, people oriented traits and good communication skills (Elsie, 2017).

The recruitment and selection program starts with the assessment of needs, and definition of the needs and requirements for new workers and professionals for outlined job postings, more so, roles, responsibilities, skill sets and qualifications are carefully developed and defined (Jaiswal, 2013), thereafter, the job vacancies are made known and advertised accordingly.

#### V. RECRUITMENT

Recruitment is the process of the identification of vacant positions and taking of steps to filling such vacancy in the organization (Maharjan, 2018). Recruitment is the process of searching and appointing prospective candidates in an organization (Jaiswal, 2013). In addition, recruitment is a continuous process during which companies try to develop a pool of qualified applicants in anticipation of future human resources needs even though specific vacancies do not exist (Jaiswal, 2013). Apart from recruitment through *Internal Sources* which is notorious among organizations, Scrummy Food should use an enhanced recruitment technique through *External Sources* of recruitment, this is necessary to attract more potential job seekers. Scrummy Food' external sources of recruitment should comprise; a) Direct recruitment, or Campus recruitment, b) Indirect recruitment, c) Placement consultants, d) Head hunter (Jaiswal, 2013). In the direct recruitment method candidates will be screened and shortlisted from the Institutions, while in the indirect recruitment, the human resource department places advertisement in the Newspaper, Magazines, and the news media such as Radio, Television, and Internet and social media sites such as LinkedIn, Facebook, and Twitter and its company website (James, 2018). In the placement consultant, jobs will be placed with consultants who undertake the job of identifying suitable candidates for the company (Anderson, 2012). More so, head hunters will be used to recruit candidates especially nationally since they also specialize in matching jobs with people (Green, 2016).

Obviously, these outlined recruitment methods will enable Scrummy Food to attract a diverse group of candidates willing (Anderson 2012) to apply as potential employees, however, after receiving applications from job applicants, the selection process takes place. In doing recruitment, irrespective of the location or place, it is important to note that recruiting should be fair and equitable, more so, diversity should be considered (Muzumdar, 2017). Once recruitment is complete selection follows next.

#### VI. SELECTION

Selection is the process by which qualified and suitable employees are chosen and placed on the jobs in accordance with their competencies and company's requirements, according to

Thomas Stone, "Selection is the process of differentiating between applicants in order to identify those with greater likelihood of success in the job" (Agarwal, 2019). In addition, selection is the procedure of selecting the best candidates from the pool of job applicants, however, Selection is a tool in the hands of management to differentiate the suitable and unsuitable applicants by applying various techniques such as group discussions, personal interviews (Agarwal, 2019).

Once the desired number of applicants successfully applied to the advertised vacancies, the human resources manager of the company should ensure appropriate review of the applications without bias. During the review HR manager should consider important factors such as work experience, education, certification, and credentials of each applicant to make sure each applicant is fit for the job (Anderson, 2012), more so, the applicants culture should be considered because for making a smooth transition having similar culture is key (Anderson, 2012). Reference checks are also conducted which is necessary to gather factual evidence from third parties who have observed the candidate at work (Elsie, 2017). Besides, background and credit checks should be conducted to determine whether the applicant is legally qualified to work in the United States and to determine his credit history which is a predictor of his ability to meet obligations (Elsie, 2017).

Once the review process is complete applicants should be asked to complete an online tests and a comprehensive personality questionnaire (*but to cut cost and save time, the test and personality questionnaire should be done along with the application form*). However, the online test and personality questionnaire is to determine the applicant's suitability because the human resource department should apply evaluation tools before arranging for the final interview, so that it can properly predict the future behavior of the employee in the workplace (Elsie, 2017).

The tests should include *Cognitive Ability Test* - an assessment that measure a variety of applicant mental abilities such as verbal and mathematical abilities and reading comprehension (Pulakos, 2005). *Job Knowledge Test* which measure critical knowledge areas required to perform a job effectively, *Personality Test* which assess an applicant's qualities such as industriousness, extraversion, friendliness, openness to experience and emotional ability (Pulakos, 2005) important for job performance, and *Biographical Data Test* which ask applicants questions relating to their personal; background, characteristics or interest (Pulakos, 2005). All these tests should comprise mostly multiple-choice questions.

Those who are found suitable and best fit for the jobs after the online tests having passed their background and reference checks in particular, should be sent invitations to come to the company's site, for interview on a specified date and time. The interview should be structured, which is designed to ask applicants different types of interviewing questions in order to and provide information to determine the verbal communication potency of the candidate and to ascertain whether his/her tone is of consistent audibility at all times (Elsie, 2017).

The interview should depend on the resume of the candidate regarding experience with specific questions asked such as; how did you hear about us? Have you worked for Scrummy Food before? How many years of working experience do you

have? (Glassdoor, 2019). Why did you leave your last job? (Haden, 2019) and more. Depending on the position being hired, the candidate should also be evaluated on; *Product knowledge* question such as, do you have some industry or related industry experience or education? (Haden, 2019). *Management ability* question such as, how many people have you managed before? Do you feel comfortable managing other people? (Glassdoor, 2019), *Ability to prospect* questions such as, how you would get a qualified potential buyers for this company? (Glassdoor, 2019). *Problem solving* questions such as, do you understand a problem fully before trying to find solution to it? (Enns, 2019). *Reporting* question such as, do you communicate information back to management in a timely manner? (Haden, 2019). *Diversity* questions such as, describe what diversity and inclusion means to you, and why it is important in this position? (Enns, 2019).

Furthermore, the human resources staff should ask the candidates to complete short-form similar follow-up test comprising of few questions under his or her supervision (depending on where the application took place) to verify performance between the two test results (Glassdoor, 2019). More so, the candidates who successfully passed the final interview gets selected for the jobs, however, at this point salary, benefits, vacation time may be negotiated (Green, 2016), or they should be sent offer notifications with the date of orientation.

## VII. TRAINING PROGRAM

There is a dynamic change in the talent's landscape due to global developments such as urbanization, demographic changes, and technological innovation, however, these trends result to shifts in the supply of talented employees when demand for skills is increasing sharply (Duggan, 2018). More so, through effective employee training programs HR professionals could offer employee supports in the most cost-effective and consistent manner (Duggan, 2018). Managing a business has become increasingly complex in today's global economy. Obviously, as industries become digitalized and tasks become automated, there is a shift in the kinds of skills required by organizations, with profound implications for how individuals will approach their career paths (Zhao, 2019). Besides, according to a recent report by McKinsey Global Institute titled, *Jobs lost, jobs gained: Workforce transitions in a time of automation*, indicates that by 2030 as many as 375 million workers or approximately 14 percent of the global workforce may need to switch occupational categories, however, many companies are facing a shortage of talent (Zhao, 2019).

Skilled and talented workforce is the greatest assets an organization has. Therefore, many young companies conscious for sustainable growth pay adequate attention to the training of their employees, as they are committed to providing them with opportunities and experiences that strengthen their skills and capabilities (Elsie, 2017). Obviously, 94 percent of employees would stay longer at a company if it invested in their career, through training (Zhao, 2019) alone which is the panacea for employee development.

Employee trainings are done for three main reasons: a) to ensure that employees have the skills needed to do the jobs today, b) to ensure that employees have the capabilities to support future business growth and c) to keep talented employees aboard (Zhao,

2019). Moreover, Scrummy Food should analyze training requirements to ensure the development of new training programs or modifications of the already existing ones (Duggan, 2018). The company should train instructors and supervisors in techniques and skills for training and dealing with every employee, and conduct an orientation sessions and arrange on-the-job training for new employees (Elsie, 2017). Furthermore, Scrummy Food should establish employee development programs, using the knowledge of effectiveness of methods such as classroom training, demonstration, on the job training, conferences, and workshops (Muzumdar, 2017).

Scrummy Food should develop and arrange training manuals, multimedia visual aids, educational materials, and testing and evaluation processes (Duggan, 2018). Besides, it should use the result of its periodic reviews to engage employees about the kinds of career opportunities the employees' desire, and incorporates their desires into the training program (Muzumdar, 2017). More so, Scrummy Food needs to include soft skills such as critical thinking, creativity and complex problem-solving to navigate through unforeseen challenges because while technical skills and competencies are needed, modern businesses require employees who are skillful in a variety of things (Zhao, 2019).

Scrummy Food needs to maintain sequence planning and benchmark strength for the workforce to make sure that the company is effectively resourced for the future in accordance with management development and career planning goals coupled with future demands of the company (Muzumdar, 2017). More so, it should set well-defined goals for the training program, and communicate the benefits and purpose of the program clearly, to all employees (Zhao, 2019)

The outlined training procedures are necessary because Scrummy Food appears to be one of the companies that still relying on dated, long-form training content that's subpar to the standards of today's workforce (Zhao, 2019).

## VIII. COMPENSATION AND BENEFITS

The purpose of compensation and benefits systems is to align the performance of the organization with the way it rewards its employees, thus, providing the essential incentives and motivation required of an organization to achieve its goals (Allen, 2002). An organization's life cycle might determine its compensation strategy, thus, the supply and demand of desired skills in the market, economy, region or location where the company is located is a determinant factor in compensation strategy (Green, 2016). However, organizations must design compensation systems that motivate employees and embody fairness to everyone in the organization (Lonsdale & Milano, 2016).

Clearly, because of budget constraints, organizations cannot offer every benefit and incentive. Therefore, Scrummy Food should only offer comprehensive compensation and benefit packages whose components are a combination of base pay bonuses, profit sharing, share options, and a range of appropriate benefits (Allen, 2002). Such healthcare benefits should have reduced employee contribution determined usually based on market or competitor norms and the organization's ability to pay (Allen, 2002) and sick leave.

The company's reward program should incorporate employee recognition incentive schemes such as Employee of the Week, Employee of the Month, and Employee of the Year, team bonuses (Indiana State University, 2019). Moreover, there is need for other incentives such as award of points to employees that are based on performance, travel allowance, retail vouchers and coupons that may be exchanged for activities or trips (Allen, 2002). Obviously, poorly developed reward system might lead to increased employee anxiety and hostility, and eventual meagre use of both human and non-human resources, increased costs, and reducing productivity (Amiller, 2010). Nonetheless, there is evidence that companies view compensation as a strategic management lever and are increasingly experimenting with new practices geared towards the improvement of performance or skills of the workforce or reinforce culture or behavior change (Allen, 2002). The compensation program must accommodate diversity and shun all forms of discrimination.

Due to diversity Scrummy Food benefit packages should be structured to be attractive to all generations because compensation and benefit programs are essential in the recruitment, retention and motivation of employees, and such benefit plans should buttress their organizations culture, purpose and values (Lonsdale & Milano, 2016). Accordingly, organizations faces the challenges of designing employee benefits packages that will be suitable to the various levels of employees who are especially of different age groups (Lonsdale & Milano, 2016). Therefore, an organization's planning of the appropriate compensation and benefits for the current multicultural, and multi-generational workforce (Lonsdale & Milano, 2016) should be done prudently putting into considerations diversity.

Scrummy Food employees should be provided with voluntary benefits packages whereby employees are allowed the options to select benefits best tailored to their personal and perhaps family needs. Certainly, diversity in the workforce impacts the development of employee benefits packages by making an increasing number of employers to provide flexible benefits packages, a reflection of the understanding of employees' divers' needs that demand for different benefit packages (Indiana State University, 2019).

#### IX. PERFORMANCE MANAGEMENT

Performance management as a continuous and on-going function in an organization, it is an important tool for organizational success and productivity (Elsie, 2017), besides, it assist the organization in the identification of the right capabilities and retention of competitive knowledge for sustainable future (Narayana, 2010). (Băgu, Cătălina & Grigore, 2014) defined performance management as a planned and incorporated approach to delivering sustained success to organizations through improving the performance of the people who work in them and by developing the competences of individuals and teams. In addition, performance management/appraisal is the evaluation of an individual's performance in a systematic way (Elsie, 2017). Thus, it is a methodical and periodic way of conducting an unbiased rating of an employee's excellence in matters relating to the employee's present job and his potentialities for improvement on the job (Bhosle, 2012).

Performance appraisal at Scrummy Food should be designed with the objective of assisting employees with constructive criticism and guidance for the purpose of their improvement, for enhanced communication between employees and their leaders, and for improved understanding of personal goals and concerns (Elsie, 2017). Scrummy Food should have its performance management system incorporate the following phases; *Planning, Developing, Monitoring, Rating* (Elsie, 2017) respectively. However, Scrummy Food needs to create and install a reboots performance management procedure that sets out performance objectives for all employees (Allen, 2002). Besides, The HR manager must make sure that all the managers in the company receives training on how to fill out the assessment forms, particularly how to discuss job performance with the employee

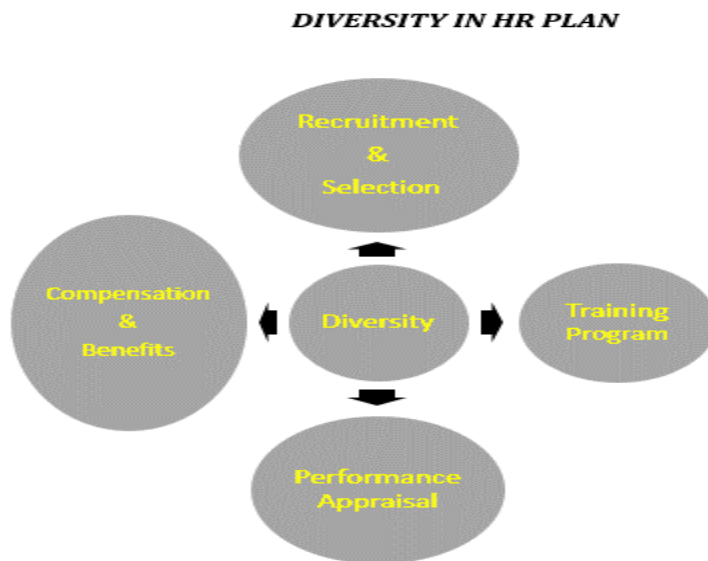
Scrummy Food should put in place strategic plan for the flexible workforce, with clearly stated job description, total time allowed to be worked per week or per month, and the organizational goals (Elsie, 2017). More so, the company should set out its performance standard and ensure that employees meet the company's expectations (Elsie, 2017). The manager must notify newly hired employees how their jobs are to be performed and their capabilities in meeting the company's expectations should be evaluated as work performance later (Elsie, 2017). Scrummy Food should monitor the employees' job performance and with provision of adequate periodic feedback to them, in order to improve and maintain their work performance (Elsie, 2017). According to Allen (2002) the most critical aspect of performance management is a robust performance review process that gives employees feedback about the level of their achievement and what areas that deserve improvement.

Scrummy Food should conduct proper assessment of employees performance using the most appropriate and accurate rating method, however, the performance should be measured using the 360 or 720 degree appraisal technique for the most accurate result (Elsie, 2017). 360 or 720 Degree performance appraisal method is the assessment of employee performance from all the aspects and giving timely feedback to ensure that the person is able to achieve the set goals before the next appraisal (Anupama, Binu & Dulababu, 2011). Moreover, unlike the previous methods that did not guide the employee, 720 Degree appraisal aims at monitoring, measuring, giving feedback, inspiring employees to accomplish the objectives and for the organization in turn (Anupama et al. 2011). However, the fundamental need of the 360 or 720 Degree performance appraisal is the improvement of the employees in their jobs and ensuring that employer's expectations, and that of the employees and customers are met (Anupama et al. 2011). Furthermore, the Scrummy Food should put in place plans for the improvement of work related skills or knowledge for the employees, to encourage them to grow their performance standard and quality of work to meet the company's objectives (Elsie, 2017).

Performance management reflects organizational performance, and it provides a link and rational for other HR activity, and the highest opportunity to directly affect business success, enhancing HR's reputation and contribution (Elsie, 2017). Scrummy Food should establish a robust performance management strategy because performance indicates the level of employees expertise, and performance is used for; compensation adjustment, promotions, how well the HR is functioning,

feedback, job design errors and deficiencies – bad performance implies weakness in the personnel department’s staffing procedures Bâgu et al (2014).

### Diversity



Human resource manager’s main role is in management and leadership that creates and empowers a diverse culture, thus, a culture that is respectful and inclusive and offers every employee the chance to learn, grow and contribute to the company. However, workplace diversity affects the development of interpersonal relationships, the nature of interaction and relationship between managers and employees, it also impact human resource functions, and however, workplace diversity increases HR duties in many ways, and holds the department of human resources accountable for functions mandated by law. Diversity can assist organizations to gain a competitive edge in global markets and when targeting business segments that require input from diverse perspectives. HR expertise is useful in evaluating where candidates should be placed in a company in order to extract the most valuable contributions from them. Indeed, the workplace is becoming increasingly more global, therefore, diversity translates into a competitive advantage for companies who embrace it, because it enables those companies to find and leverage untapped opportunities (Stevenson, 2019). More so, diversity offers companies the opportunity for the identification of new trends, thus, diversity increases motivation, reduces absenteeism and increases productivity levels by creating an inclusive environment (Stevenson, 2019). The first step in enforcing workplace diversity in the workplace is to ensure that published notices about workplace diversity are posted in conspicuous places throughout the workplace such as break rooms, restrooms, parking lots, and walkways. Obviously, the posters furnishes employees with the information about their civil rights, federal and state laws that stresses equal opportunity for employment, irrespective of national origin, genetics, race,

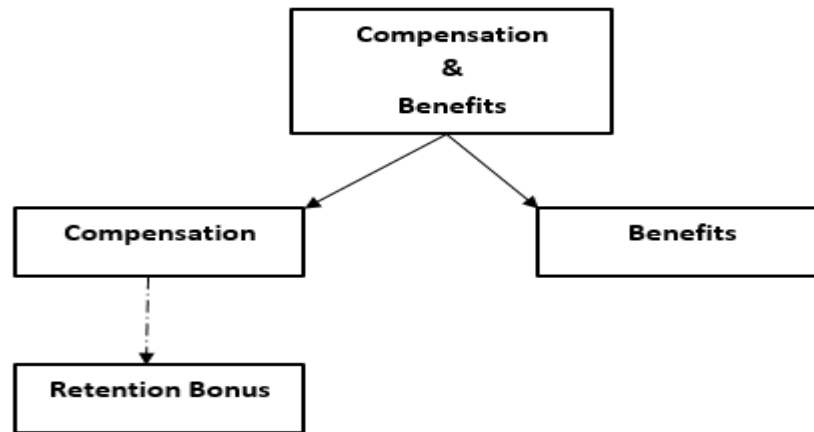
religion, sex, sexual orientation and veteran status. Moreover, HR should conduct periodic walkthroughs to ensure that the company’s posters are intact and up-to-date. Besides, the company’s recruitment advertisements should also reflect the message that the company is an *equal opportunity employer*, this procedure will encourage divers’ job seekers to submit their resumes for considerations.

The company should develop written affirmative action programs that include record keeping obligations for applicant logs, adverse impact analyses and workforce utilization calculations to support the company’s outreach efforts to achieve workplace diversity (Mayhew, 2019). Certainly, managing a diverse workforce can contribute to increased employee/staff retention and productivity, besides, it enhances the organizations responsiveness to an increasing diverse array of customers, improve relations with the surrounding community, increase the organization’s ability to cope with change, and expand the creativity of the organization.

Human Resources should contract diversity consultants or experts or evaluate training modules that are suitable for the workforce, and in situations whereby certain jurisdictions prohibits particular trainings, HR should be involved in the determination of whether to make diversity training mandatory, because the decision to mandate workforce training is a strategic function of HR since it involves the assessment of the workplace climate and whether supervisors and managers would benefit from mandatory training or if informal activities are enough to buttress the organization’s workplace diversity values (Mayhew, 2019). More so, HR manager should monitor diversity which might be done through audit, not only for current employees, but in recruitment practices as well, certainly, monitoring diversity enables progress to be measured effectively (Stevenson, 2019). In a global marketplace, there is more likelihood for an organization to be able to meet its customers’ needs and gain access to new markets with a diverse workforce, in addition, bringing in talent into the workplace whose experience or background pertains to these new markets could be an effective solution to accessing these markets because differing skills are needed to break initial barriers to entry. Apart from recruitment and selection, training, compensation, and performance appraisal, diversity should also be incorporated in other areas such as mentoring, supplier chain diversity, development and leadership to make sure that the company is aiding ethnic minority progression.

### Retention Bonus

The gradual scarcity of skilled employees with expert experience has forced many companies to adopt retention bonus as the most assured way of retaining skilled employees, thus, most organizations find losing good employees worrisome irrespective of the size of the existing labor pool or state of the economy (Lohrey, 2019). Obviously, many organizations have discovered the benefits associated with offering retention bonuses and therefore they currently see it as a successful tactic for retaining important employees (Schechtman, 2019).



A retention bonus is a form of financial incentive designed to keep an employee at a company, however, retention bonus is generally given during stressful times at an organization such as acquisition or merger, and they may be offered to important employees intending to leave the company. Obviously, organizations may offer a significant bonus in order to keep key employees, nonetheless, these bonuses are singular transactions in order for an organization to express its appreciation for a job well done. During an acquisition or merger, retention bonuses are usually given as opposed to salary raises because the company might be short off the necessary finances required to commit to a permanent raise.

Without the payment of retention bonuses there is increase likelihood of the erosion of good skilled and talented employees from the organization. Accordingly, a 2016 *World at Work Survey* shows that, of the 673 respondent received, 74% of companies use retention bonuses, and that 77% of respondents offering retention bonuses did so at the discretion of management (Lohrey, 2019). Moreover, Scrummy Food should establish retention bonus programs basing it rate depending on the financial state and information on what competitors are paying (Lohrey, 2019). Information obtained from Salary.com indicates that retention bonuses are normally about 10 to 15 percent of salary (Lohrey, 2019).

#### X. CONCLUSION

An efficient HR plan is the most essential aspect of Scrummy Food growth strategy as a young company, for employee recruitment, provision of leadership and direction to the employees of the company, and to ensure thorough training of its employees and to provide them with career development as well as compensation and benefits options. Besides, it will assist the company to ensure that it has the proper ongoing recruitment and selection processes, performance evaluation methods, compensation and benefits programs, and most regular training and development programs for employees.

A standard HR plan will assist the HR manager to ensure that performance appraisals are going on continually thus enabling employees to understand the level of their inputs and to make needed necessary corrections. More so, it will assist the company to ensure that the right people are hired as need arises, emphasis

on improving the skills with the intention of equipping them with the skills needed in future for the attainment of the company's goals. Furthermore, it will enhance the company's productivity and reduces employee turnover by attracting the best employees in place. Obviously, diversity has become an intricate part of the HR plan as it is directly related to the company's productivity, profitability, public perception and external relations, more so, the inclusion of retention bonuses in the HR plan is necessary to ensure the retention of some of the highly valued employees who are viewed as assets to the company.

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