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An overview of human resource planning

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Abstract

Human Resource Planning (HRP) also termed as Manpower Planning defined as Process of evaluating as to how an organization should move from the current human resource position to its desired position. It is a process by which an organization ensures it has the right number of people, right kind of people, at the right place at the right time. For performing the right tasks ensuring its overall strategic objectives should be achieved. Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization. Manpower planning is the strategy for acquisition, utilization, improvement and preservation of an enterprise's human resources. It relates to establishing the quantitative requirements of jobs determining the number of personnel required and developing sources of manpower. Human resource planning may be viewed as foreseeing the human resource requirements of an organization and the future supply of human resources and making necessary adjustments between these two and organization plans, and foreseeing the possibility of developing the supply of human resources in order to match it with requirements by introducing necessary changes in the functions of human resource management. Here, human resource means skill, knowledge, values, ability, commitment, motivation etc., in addition to the number of employees. Though accomplishment of organizational objectives and goals is the primary concern of the human resource planning, concern for the aspirations of the people and their well-being has equal importance in it.

Key words: Inherent, appropriate, trends, strategy, anticipating

Introduction

Human Resource Planning (HRP) also termed as Manpower Planning defined as Process of evaluating as to how an organization should move from the current human resource position to its desired position. It is a process by which an organization ensure that: it has the right number, right kinds of people, at the right place, at the right time and for performing the right tasks ensuring its overall strategic objectives should be achieved.

Manpower Planning which is also called as Human Resource Planning consists of putting right number of people, right kind of people at the right place, right time, doing the right things for which they are suited for the achievement of goals of the organization.

Various definitions of HR planning

As per Coleman, "HUMAN RESOURCE PLANNING is the process of determining human resource requirements and the means for meeting those requirements in order to carry out the integrated plan of the organization."

As per Stainer, "MANPOWER PLANNING is the strategy for acquisition, utilization, improvement and preservation of an enterprise's human resources. It relates to establishing the quantitative requirements of jobs determining the number of personnel required and developing sources of manpower."

According to Terry L. Leap and Michael D. Crino, "HUMAN RESOURCE PLANNING includes the estimation of how many qualified people are necessary to carry out the assigned activities, and what, if anything, must be done to ensure that personnel supply equals personnel demand at the appropriate point in the future."

According to Gordon Macbeath, manpower planning involves two stages. The first stage is concerned with the detailed "planning of manpower requirements for all types and levels of employees throughout the period of the plan," and the second stage is concerned with "planning of manpower supplies to provide the organisation with the right types of people from all sources to meet the planned requirements."

On the analysis of above definitions, human resource planning may be viewed as foreseeing the human resource requirements of an organization and the future supply of human resources and making necessary adjustments between these two and organization plans, and foreseeing the possibility of developing the supply of human resources in order to match it with requirements by introducing necessary changes in the functions of human resource management. Here, human resource means skill, knowledge, values, ability, commitment, motivation etc., in addition to the number of employees. Though accomplishment of organizational objectives and goals is the primary concern of the human resource planning, concern for the aspirations of the people and their well-being has equal importance in it.

Features of human resource planning

1. Well Defined Objectives: Enterprise's objectives and goals in its strategic planning and operating planning may form the objectives of human resource planning. Human resource needs are planned on the basis of company's goals. Besides, human resource planning has its own objectives like developing human resources, updating technical expertise, career planning of individual executives and people, ensuring better commitment of people and so on.

2. Determining Human Resource Needs: Human resource plan must incorporate the human resource needs of the enterprise. The thinking will have to be done in advance so that the persons are available at a time when they are required. For this purpose, an enterprise will have to undertake recruiting, selecting and training process also.

3. Keeping Manpower Inventory:It includes the inventory of present manpower in the organisation. The executive should know the persons who will be available to him for undertaking higher responsibilities in the near future.

4. Adjusting Demand and Supply:Manpower needs have to be planned well in advance as suitable persons are available in future. If sufficient persons will not be available in future then efforts should be made to start recruitment process well in advance. The demand and supply of personnel should be planned in advance.

5. Creating Proper Work Environment:Besides estimating and employing personnel, human resource planning also ensures that working conditions are created. Employees should like to work in the organisation and they should get proper job satisfaction.

Importance of manpower planning

Key to managerial functions- The four managerial functions, i.e., planning, organizing, directing and controlling are based upon the manpower. Human resources help in the implementation of all these managerial activities. Therefore, staffing becomes a key to all managerial functions.

Efficient utilization- Efficient management of personnels becomes an important function in the industrialization world of today. Setting of large scale enterprises require management of large scale manpower. It can be effectively done through staffing function.

Motivation- Staffing function not only includes putting right men on right job, but it also comprises of motivational programmes, i.e., incentive plans to be framed for further participation and employment of employees in a concern. Therefore, all types of incentive plans becomes an integral part of staffing function.

Better human relations- A concern can stabilize itself if human relations develop and are strong. Human relations become strong through effective control, clear communication, effective supervision and leadership in a concern. Staffing function also looks after training and development of the work force which leads to co-operation and better human relations.

Higher productivity- Productivity level increases when resources are utilized in best possible manner. higher productivity is a result of minimum wastage of time, money, efforts and energies. This is possible through the staffing and it's related activities Performance appraisal, training and development, remuneration.

Objectives of manpower planning

1. Assessing manpower needs in future and creating plans for recruitment and selection.
2. Assessing skills to be required in future.
3. Define training and development needs for the organization.
4. Provisioning surplus or shortage of staff.
5. Control wages and salary costs.
6. Specifying optimum use of human resources for the organization.
7. Guiding the organization to cope with the technological development and modernization.

8. Secure higher labor productivity.

9. Ensuring career planning of every employer of the organization and making successful programmes.

Significance of human resource planning

Future personnel needs: Planning is significant as it helps determine future personnel needs. Surplus or deficiency in staff strength is the result of the absence of a defective planning. The problem of excess staff has become so heavy that many units are restoring to VIRTUAL RETIREMENT SYSTEM to remove the excess staff.

Coping with change : HUMAN RESOURCE PLANNING enables an enterprise to cope with changes in competitive forces, markets, technology, products and government regulations. Such changes generate changes in job content, skill demands, and number and type of personnel. Shortage of people may be induced in some areas while surplus in other areas may occur.

Creating highly talented personnel :As was mentioned earlier, jobs are becoming highly intellectual and incumbents are getting vastly professionalized

Protection of weaker sections : Sc\ ST candidates, physically handicapped, children of socially and physically oppressed and backwardclass citizens enjoy a given % of jobs not with standing the constitutional provision which guarantees equal opportunities all.

International strategies :HUMAN RESOURCE PLANNING all will grow increasingly important as the process of meeting staff needs from foreign countries and the attendant cultural, language and developmental considerations grow complex.

Foundation for personnel functions :Manpower planning provides essential information for designing and implementing personnel functions, such as recruitment, selection, personnel movement and training and development.

Increasing investments in human resources :Another compelling reason for HUMAN RESOURCE PLANNING is an investment an organization makes in its human resources. Human assets, as opposed to physical assets, can increase in value. An employee who gradually develops his \ her skills and abilities becomes a more valuable resource

Resistance to change and move :There is a growing resistance among employees to change and move. There is also a growing emphasis on self evaluation and on evaluation of loyalty and dedication to the organization. All these changes are making it more difficult for the organization to assume that it can move its employees around anywhere and anytime it wants, thus increasing the importance and necessity of planning ahead.

Other benefits :following are other potential benefits of HRP :•

Upper management has better view of the HRP dimensions of business decisions, personnel costs may be less because the management can anticipate imbalances before they become unmanageable and expensive, more time is provided to locate source talent, better planning of assignments to develop managers can be done and major and successful demands on labour markets can be made.

Part of strategic planning : Human resource management must become an integral part of strategic management process. All activities of HRM planning, hiring, training, remunerating and maintaining must be merged with strategic management.

NEED OF MANPOWER PLANNING

Manpower Planning is advantageous to firm in following manner:

- Shortages and surpluses can be identified so that quick action can be taken wherever required.
- All the recruitment and selection programmes are based on manpower planning.
- It also helps to reduce the labour cost as excess staff can be identified and thereby overstaffing can be avoided.
- It also helps to identify the available talents in a concern and accordingly training programmes can be chalked out to develop those talents.
- It helps in growth and diversification of business. Through manpower planning, human resources can be readily available and they can be utilized in best manner.
- It helps the organization to realize the importance of manpower management which ultimately helps in the stability of a concern.

- Human resource is the most important asset of an organisation. Human resources planning are the important managerial function. It ensures the right type of people, in the right number, at the right time and place, who are trained and motivated to do the right kind of work at the right time, there is generally a shortage of suitable persons.
- The enterprise will estimate its manpower requirements and then find out the sources from which the needs will be met. If required manpower is not available then the work will suffer. Developing countries are suffering from the shortage of trained managers. Job opportunities are available in these countries but properly trained personnel are not available.

Steps in manpower planning

- **Analyzing the current manpower inventory-** Before a manager makes forecast of future manpower, the current manpower status has to be analysed. For this the following things have to be noted- Type of organization, number of departments, number and quantity of such departments and employees in these work units
- **Making future manpower forecasts-** Once the factors affecting the future manpower forecasts are known, planning can be done for the future manpower requirements in several work units. The Manpower forecasting techniques commonly employed by the organizations are as follows: **Expert Forecasts:** This includes informal decisions, formal expert surveys and Delphi technique. **Trend Analysis:** Manpower needs can be projected through extrapolation (projecting past trends), indexation (using base year as basis), and statistical analysis (central tendency measure). **Work Load Analysis:** It is dependent upon the nature of work load in a department, in a branch or in a division. **Work Force Analysis:** Whenever production and time period has to be analysed, due allowances have to be made for getting net manpower requirements. **Other methods:** Several Mathematical models, with the aid of computers are used to forecast manpower needs, like budget and planning analysis, regression, new venture analysis.
- **Developing employment programmes-** Once the current inventory is compared with future forecasts, the employment programmes can be framed and developed accordingly, which will include recruitment, selection procedures and placement plans.
- **Design training programmes-** These will be based upon extent of diversification, expansion plans, development programmes, etc. Training programmes depend upon the extent of improvement in technology and advancement to take place. It is also done to improve upon the skills, capabilities, knowledge of the workers.

Process of manpower planning

The planning process is one of the most crucial, complex and continuing managerial functions which, according to the Tata Electrical Locomotive Company, “embraces organization development, managerial development, career planning and succession planning.” The process has gained importance in India with the increase in the size of business enterprises, complex production technology, and the adoption of professional management technique.

It may be rightly regarded as a multi-step process, including various issues, such as:

A. Deciding Goals or Objectives: The business objectives have been determined; planning of manpower resources has to be fully integrated into the financial planning. It becomes necessary to determine how the human resources can be organised to achieve these objectives. For this purpose, a detailed organisation chart is drawn and the management of the company tries to determine “how many people, at what level, at what positions and with what kind of experience and training would be required to meet the business objectives during the planning period.” The management of this company considers a time span of five years as an optimum period for this purpose. It stresses the specific and standard occupational nomenclature must be used without which “it would not be possible to build a firm-cum-industry-wise manpower resources planning.” It suggests the adoption for this purpose of the international coding of occupations. For a sound manpower planning it considers as a prerequisite the preparation of a manual of job classification and job description with specific reference to individual jobs to be performed.

B. Audit of the Internal Resources: The next step consists of an audit of the internal resources. A systematic review of the internal resources would indicate persons within the organizations who possess different or higher levels of responsibilities. Thus it becomes necessary to integrate into the manpower planning process a sound system of performance appraisal as well as appraisal of potential of existing employees.

C. Formulation of the Recruitment Plan: A detailed survey of the internal manpower resources can ultimately lead to an assessment of the deficit or surplus of personnel for the different levels during the planned period. Whilst arriving at the final figures, it is necessary to take into account the “actual retirements and estimated loss due to death, ill health and turnover, based on past experience and future outlook in relation to company’s expansion and future growth patterns.”

D. Estimating Future Organisational Structure and Manpower Requirements: The management must estimate the structure of the organisation at a given point of time. For this estimate, the number and type of employees needed have to be determined. Many environmental factors affect this determination. They include business forecast, expansion and growth, design and structural changes, management philosophy, government policy, product and human skills mix, and competition.

E. Developing of Human Resource Plan: This step refers to the development and implementation of the human resource plan, which consists in finding out the sources of labour supply with a view to making an effective use of these sources. The first thing, therefore, is to decide on the policy— should the personnel be hired from within through promotional channels or should it be obtained from an outside source.

Factors affecting manpower planning

Manpower planning exercise is not an easy task because it is imposed by various factors such as:

1. It suffers from inaccuracy because it is very difficult to forecast long-range requirements of personnel.
2. Manpower planning depends basically on organisation planning. Overall planning is itself a difficult task because of changes in economic conditions, which make long term manpower planning difficult.
3. It is difficult to forecast about the personnel with the organisation at a future date. While vacancies caused by retirements can be predicted accurately other factors like resignation, deaths are difficult to forecast.
4. Lack of top management support also frustrates those in charge of manpower planning because in the absence of top management support, the system does not work properly.
5. The problem of forecast becomes more occur in the context of key personnel because their replacement cannot be arranged in short period of time.

Hence, The need for and importance of human resource planning is explained by the fact that it maintains a fine balance between demand for and supply of human resources required to effectively complete those tasks that help organization achieve its objectives.

HR planning can become part of strategic planning at two ends. At the beginning of strategic planning, HRP provides a set of inputs into the strategic formulation process in terms of deciding whether the types and numbers of people are available to pursue a given strategy.

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