Chapter 7[1]

Human Resource Planning in LGO.

7.1 Meaning

HRP means deciding the number & type of the human resources required for each job, unit & the total company for a particular future date in order to carry out organizational activities.

HRP or manpower planning is essentially the process of getting the right number of qualified people into the right job at the right time. It is a system matching the supply of people (existing employees & those to be hired or searched for) with openings the organization expects over a time frame.

Definition: –Edwin B.Geisler

"Manpower planning is the process (including forecasting, developing, implementing & controlling) by which a firm ensures that is has the right number of people & the right kind of people, at the right places, at the right time, doing things for which they are economically useful.

Acc. Bruce P. Coleman "Manpower planning is the process of determining manpower requirements in order to carry out the integrated plan of the organization".

7.2 Objective / Purposes of HRP

1. Forecasting Human Requirements:

HRP Human resource planning is essential to determine the future human resource needs in an organization. In the absence of such a plan, it would be difficult to have the services of the right kind of people at the right time.

2. Effective Management of Change:

Proper planning is required to cope with changes in market conditions, technology products, and government regulations in an effective way. These changes call for continuous allocation or reallocation of skills and in the absence of planning there might be under–utilization of human resource.

3. Realizing Organizational Goals:

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In order to meet the needs of expansion programmes and growth strategies of the organizations planning is essential.

4. Promoting Employees:

The database available provides a comprehensive skill repertoire, which facilitates for decision making as to the promotional opportunities to be made available for the organization.

5. Effective Utilization of Human Resource:

This database is also useful for identifying surplus and unutilized human resource and resources. In times of downsizing or in estimating the cost–benefit analysis of human resources would add value to the process.

The objective of human resource planning is to maintain and improve the organization's ability to achieve its goals by developing strategies that will result in optimum contribution of human resources.

1. To forecast the future needs of human resources.

2. To ensure fuller and effective utilization of existing human resources.

3. To ensure that necessary manpower is available as and when required.

4. To relate human resource planning with the organizational planning.

5. To estimate the surplus or shortage of human resource in the organization at any given time.

6. To get information about the manner in which the existing personnel are deployed, the kind of skills needed for various jobs, and manpower requirements over a specified period of time in relation to the organizational goals.

7. To anticipate the impact of technology on jobs and human resources.

8. To determine the levels of recruitment and training.

9. To estimate the cost of labour force and its housing requirements.

10. To provide a basis for management development programme. 11. To meet the needs of expansion and diversification programmes. 12. To increase the labour productivity and thereby reduce the labour costs.

7.3 Factors Affecting/Influencing HRP

The factors can be classified into Internal & External factors

1.Internal Factors: –

1) Government Policies: – Policies of the government like labour policy, industrial relations policy, policy towards reserving certain job for different communities & sons of the soil etc. affect the HRP.

2) Level of Economic Development: – level of economic development determines the level of HRD in the country & thereby the supply of human resources in the future in the country.

3) Business Environment: – external business environmental factors influence the volume & mix of production & thereby the future demand for human resources.

4) Level of Technology: – level of technology determine the kind of human resources required.

5) International Factors: – International factors like the demand for the resources & supply of HR in various counties.

2. Internal Factors

1) Company Policies & strategies: – Company's policies & strategies relating to expansion, diversification, alliances etc. determines the human resource demand in terms of quality & quality.

2) Human Resource Policies: – HR Policies of the company regarding quality of HR compensation level, quality of work life etc. influences human resources plan.

3) Job Analysis: – fundamentally, HR plan is based on job analysis, job description & job specification determines the kind of employees required.

4) Time Horizons: – companies with stable competitive environment can plan for the long run whereas the firms with unstable competitive environment can plan for only short term range.

5) Type & quality of information: – any planning process need qualitative & accurate information. This is more so with human resource plan, strategic, organizational & specific information affect HRP.

6) Company's production operation policy: – company's policy regarding how much to produce & how much to buy from outside to prepare a final product influence the number the number & kind of people required.

7) Trade unions: – Influence of trade unions, regarding number of working hours per week, recruitment sources etc. affect the HRP.

7.4 Process of HRP

1.Environmental Scanning: –Environmental scanning refers to the systematic monitoring of the external forces influencing the organization. Managers monitor several forces but the following are pertinent for HRP

2.Organisational objectives & Policies: – HR plans need to be based on organizational objectives. In practice, this implies that objectives of the HR plans must be derived from organizational objectives. Specific requirements in terms of number & characteristics of employees should be derived from the organizational objectives.

3.HR demand forecast: – it is the process of estimating the future quantity & quality of people required. The basis of the forecast must be the annual budget & long term corporate plan translated into actively levels for each function & department.

4. HR supply forecast: – Personnel demand analysis provides the manager with the means of estimating the number & kind of employees that will be required. The next logical step for the management is to determine whether it will be able to procure the required number of personnel & the sources for such procurement. this information is provided by supply forecasting. Supply forecasting measures the number of people likely to be available from within & outside an organization after making allowance for absenteeism, internal movements & promotions, wastage & changes in hours & other conditions of work.

5. HR Programming: – Once an organization's personnel & supply are forecast the two must be reconciled or balance in order that vacancies can be filled by the right employees at the right time. HR programming the third step in the planning process, therefore assumes greater importance.

6. HR Plan Implementation: – implementation requires converting an HR plan into action. A series of action programmes are initiated as a part of HR plan implementation. Some such programmes are recruitment, selection & placement, training & development, retaining & redeployment the retention plans the succession plan & redundancy plan.

7. Control & Evaluation: – this represents the fifth & final phase in the HRP process. The HR plan should include budgets, targets & standards. It should also clarify responsibilities for implementation & control & establish reporting procedures, which will enable achievements to be monitored against plan.