

UNIT II THE CONCEPT OF BEST FIT EMPLOYEE

Importance of Human Resource Planning – Forecasting human resource requirement – matching supply and demand - Internal and External sources. Recruitment - Selection – induction – Socialization benefits.

1. Human Resource Planning

Human Resource Planning: According to Gordon Mc Beath, “Human Resource Planning is concerned with two things: Planning of manpower requirements and Planning of Manpower supplies”.

According to **Jeisler**, "Manpower planning is the process including forecasting, developing and controlling— by which a firm ensures, it has the right number of people and the right kind of people and at the right places at the right time doing things for which they are economically most useful"



Figure: Human Resource Planning Process

Importance of Human Resource Planning

- Future Personnel Needs
- Part of Strategic Planning
- Creating Highly Talented Personnel
- International Strategies-
- Foundation for Personnel Functions
- Increasing Investments in Human Resources
- Resistance to Change –
- Succession Planning

Problems in Human Resource planning

- 1) Inaccuracy
- 2) Employee resistance
- 3) Uncertainties
- 4) Inefficient information system
- 5) Time and expense

Objectives of Human resource planning

- ✓ To recruit and maintain the HR of requisite quantity and quality.
- ✓ To predict the employee turnover and make the arrangements for minimizing turnover and filling up of consequent vacancies.
- ✓ To meet the requirements of the programmes of expansion, diversification etc.
- ✓ To anticipate the impact of technology on work, existing employees and future human resource requirements.
- ✓ To progress the knowledge, skill, standards, ability and discipline etc.
- ✓ To appraise the surplus or shortage of human resources and take actions accordingly.
- ✓ To maintain pleasant industrial relations by maintaining optimum level and structure of human resource.
- ✓ To minimize imbalances caused due to non-availability of human resources of right kind, right number in right time and right place.
- ✓ To make the best use of its human resources; and
- ✓ To estimate the cost of human resources.

Benefits of Human Resource Planning

To meet up requirements of the organisation

Counterbalance insecurity and change

It helps in checking labour imbalance

Right-sizing the human resource requirements of the organisation

To meet expansion and diversification needs of the organisation

Training and Development of Employees

Fulfill Individual Needs of the Employees:

Helps Formulation of Budgets

To Check Joblessness:

Human Resource planning at different levels

1. National Level
2. Sectoral Level
3. Industry Level
4. Unit Level
5. Departmental Level
6. Job Level

2. HR DEMAND FORECASTING/Forecasting Human resource requirement

Forecasting: Estimating Future requirements

HR Demand forecasting is the process of estimating the future quantity and quality of people required to meet the future needs of the organization.

METHODS / TECHNIQUES FOR FORECASTING HUMAN RESOURCES DEMAND.

1. Managerial Judgment: - Two types of approaches "Bottom – Up approach": line managers send requirements "Top-Down approach": Top management forecasts entire organization human resource requirements.

2. Trend Analysis: - Based on past

3. Ratio - trend Analysis: on the basis of ratio of production level and number of workers available.

4. Scatter Plot:

5. Computerized Forecast:

6. Delphi Technique: The human resource experts collect the manpower needs, summarises the various responses and prepare a report.

7. Regression Analysis:

8. Work-study technique: This technique is also known as 'work-load analysis'. This technique is suitable where the estimated work-load is easily measureable. Under this method, estimated total production and activities for a specific future period are predicted. This information is translated into number of man-hours required to produce per units taking into consideration the capability of the workforce

9. Econometrics model: These models are based on mathematical and statistical techniques for estimating future demand. Under these models relationship is established between the dependent variable to be predicted (e.g. manpower/human resources) and the independent variables (e.g., sales, total production, work-load, etc.).

9. Other Techniques: The other techniques of Human Resources demand forecasting are specified as under:

- (a) Following the techniques of demand forecasting of human resources used by other similar organisations
- (b) Organisation-cum-succession-charts
- (c) Estimation based on techniques of production
- (d) Estimates based on historical records
- (e) Statistical techniques e.g. co-relation and regression analysis.

Factors affecting HR Demand Forecasting

(1) Employment trends (2) Replacement trends (3) Productivity (4) absenteeism (5) Expansion and Growth

3. HR supply forecasting

H.R. supply forecasting: Supply forecasting measures the number of people likely to be available from within and outside an organization.

Sources of supply

(1) Internal sources of supply

- Transfer
- Promotions
- Upgrading
- Demotion
- Retired employees
- Retrenched employees

(2) External sources of supply

- Press Advertisements
- Educational Institutes
- Placement Agencies
- Employment Exchanges
- Labour Contractors
- Unsolicited applicants
- Employee referrals / recommendations

Factors affecting external sources of supply

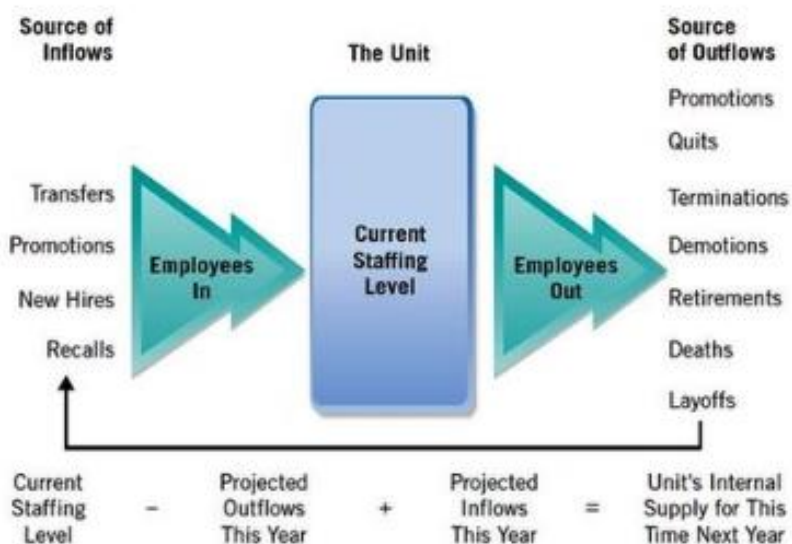
- Supply and demand of jobs.
- Literacy rate of nation.
- Rate of population
- Industry and expected growth rate and levels
- Technological development.
- Compensation system based on education, experience, skill and age.

Techniques of HR supply forecasting

(1) Succession analysis: Once a company has forecast the demand for labour, it needs an indication of the firm's labour supply. Determining the internal labour supply calls for a detailed analysis of how many people are currently in various job categories or have specific skills within the organization. The planner then modifies this analysis to reflect changes expected in the near future as a result of retirements, promotions, transfers, voluntary turnover, and terminations.

(2) Markov Analysis: A transition matrix, or Markov matrix, can be used to model the internal flow of human resources. These matrices simply show as probabilities the average rate of historical movement from one job to another.

Estimating Internal Labor Supply for a Given



4. Recruitment

Recruitment: According to Edwin B. Flippo. "Recruitment is the process of searching the candidates for employment and stimulating them to apply for jobs in the organization."

Recruitment Types / methods

- Planned
- Anticipated
 - Unexpected
- Direct method
- Indirect method
 - Third party method
- Centralized recruitment
- Decentralized recruitment

Process of recruitment

- Identify vacancy
- Prepare job description
- Advertising the vacancy
- Managing the response
- Short-listing
- Arrange for Conducting interview

Purpose of recruitment

- -Attract more candidate to apply
- -to link employees with employer
- Minimize applications
- Meet the legal & social obligations
- Expansion / diversification

Advantages and Disadvantages of external sources of recruitment



Advantages and Disadvantages of internal sources of recruitment



Sources of Recruitment



5. Selection

Selection: It is the process of choosing qualified individual who are available to fill positions in an organisation.

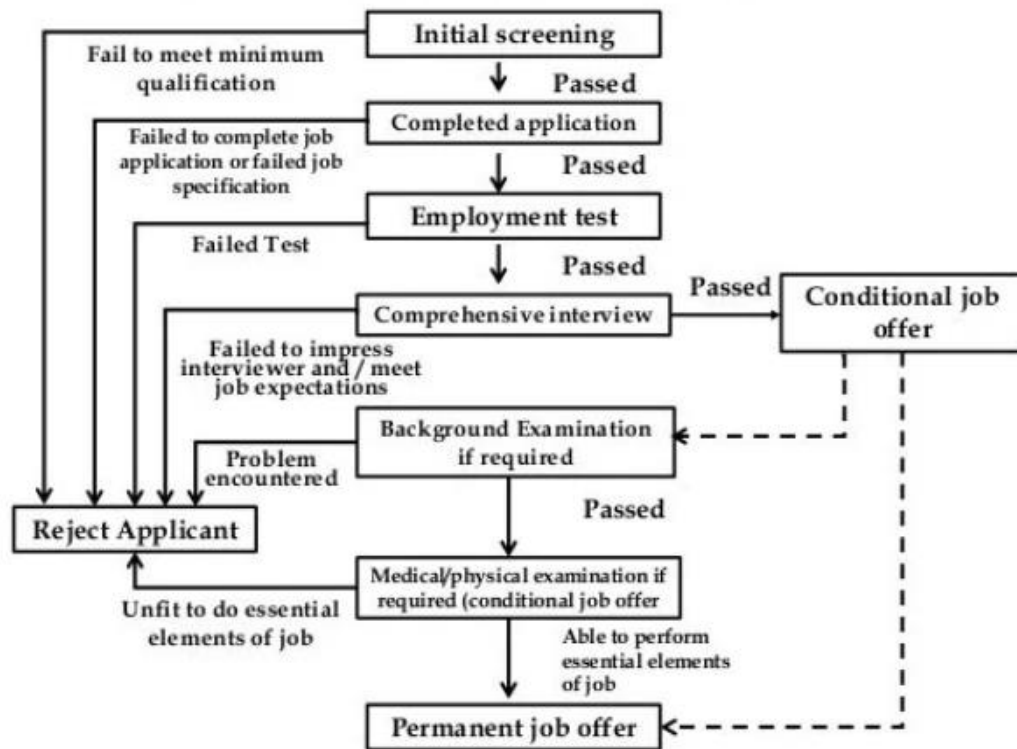
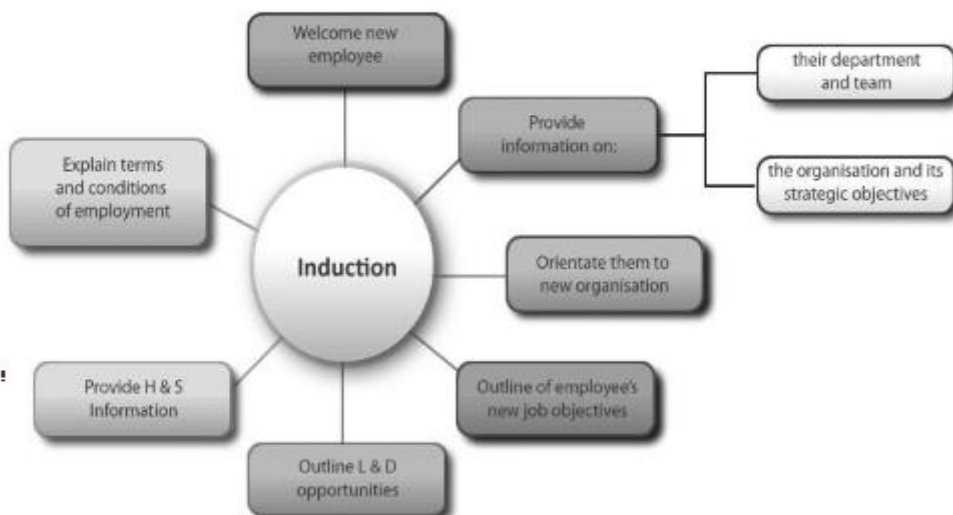


Fig. – The Selection Process

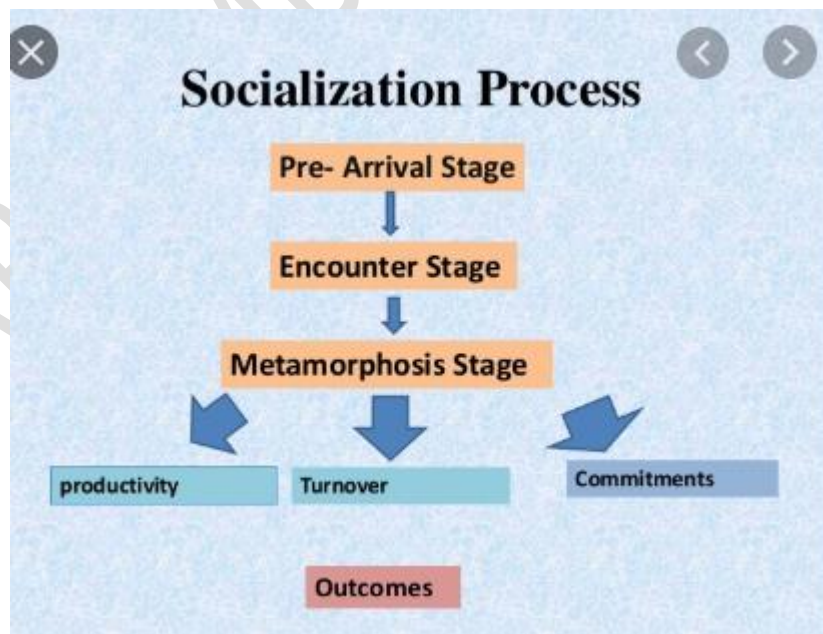
6. Induction or orientation

Induction: Planned introduction of employees to their jobs, coworkers and the organization.



7. Socialization benefits in HRM

Socialization: Socialization is the process of adaptation. It is the process by which new employee attempt to learn and inculcate the norms and values of work roles in an organization. Learning and inculcating the norms and values of work group are necessary for proper adjustment and job performance.



*****All the Best*****

APCE-MBA-HRM notes

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