

- (i) **Level of Technology:** Level of technology determines the kind of human resources required.
- (ii) **International Factors:** International factors like the demand for and supply of human resources in various countries.

INTERNAL FACTORS

- (i) **Company Strategies:** Company's policies and strategies relating to expansion, diversification, alliances etc., determine the human resources demand in terms of quality and quantity.
- (ii) **Human Resources Policies:** Human resources policies of the company regarding quality of human resources, compensation level, quality of worklife etc., influence human resources plan.
- (iii) **Job Analysis:** Fundamentally, human resources plan is based on job analysis. Job description and job specification. Thus, the job analysis determines the kind of employees required.
- (iv) **Time Horizons:** Companies with a stable competitive environment can plan for the long run whereas firms with an unstable competitive environment can plan for only short-term range.
- (v) **Type and Quality of Information:** Any planning process needs qualitative and accurate information. This is more so with human resources plan.
- (vi) **Company's Production/Operations Policy:** Company's policy regarding how much to produce and how much to buy from outside to prepare a final product influences the number and kind of people required.
- (vii) **Trade Unions:** Influence of trade unions regarding the number of working hours per week recruitment sources etc., affect HRP.

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2.4 PROCESS OF HUMAN RESOURCES PLANNING

Process of human resources planning consists of the following steps:

- Analysing the corporate and unit level strategies.
- Demand Forecasting: Forecasting the overall human resources requirements in accordance with the organisational plans.
- Supply Forecasting: Obtaining the data and information about the present inventory of human resources and forecast the future changes in the human resources inventory.
- Estimating the net human resources requirements.
- In case of future surplus, plan for redeployment, retrenchment and lay-off.
- In case of future deficit, forecast the future supply of human resources from all sources with reference to plans of other companies.
- Plan for recruitment, development and internal mobility if future supply is more than or equal to net human resources requirements.
- Plan to modify or adjust the organisational plan if future supply will be inadequate with reference to future net requirements.

The eight steps of human resources planning are depicted in the order mentioned above. But the same order need not be followed in the actual planning process as the steps are interdependent and sometimes, the first step and the last step may be processed simultaneously. Further, the planner sometimes may not explicitly process some steps. However, it is helpful to the planner to plan for human resources effectively without

- The companies need not manage these resources as such they are free from industrial relations problems.
- The companies can dispense with this category of employees immediately after the work is over.

Outsourcing of non-critical activities through subcontracting or ancillirisation determines HRP

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Recruitment and Selection Plan

Recruitment and selection plan covers the number and type of employees required, when they are required for the job, time necessary for recruitment and selection process, recruitment sources, recruitment techniques to be used, selection procedure to be adopted and selection techniques to be used to subsequently recruiting the required candidates. It also covers the time factor for induction, preliminary training and placement.

Training and Development Plan

The training and development plan covers areas to be developed, training techniques, training programmes, training time, availability of trainers, in plant training or institute training, new courses to be developed or changes in the existing courses, cost benefit analysis of training, development of the employees and matching of their improved skills with future job requirements etc.

Productivity Plan

The productivity plan includes maximisation of productivity or minimisation of labour cost per unit of output through technological changes, improving/streamlining methods, procedures and systems, productivity bargaining, training, financial incentives, developing various schemes, motivation, commitment, organisation development programmes, job-enrichment/enlargement, participation etc. It also includes improving of productivity efficiency.

Retention Plan

Though there is the problem of unemployment, organisations experience shortage of some categories of employees and some organisations experience shortage of some other categories of employees due to employee mobility. Hence, the organisations have to plan for retention of the existing employees.

Modify the Organisational Plan Strategy

If future supply of human resources from all the external sources is estimated to be inadequate or less than the requirements (share of the particular firm in labour market), the manpower planner has to suggest to the management to alter or modify the organisational plan.

In view of the shortage of certain categories of employees, the organisation has to take care not only of recruitment but also the retention of existing employees.

2.5 PROBLEMS IN HUMAN RESOURCES PLANNING

Though HRP is beneficial to the organisation, employees and trade unions, some problems crop up in the process of HRP. Important among them are:

- (i) **Resistance by Employers and Employees:** Many employers resist HRP as they think that it increases the cost of manpower as trade unions demand for employees based on the plan, more facilities and benefits including training

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and development. Further, employers feel that HRP is not necessary as candidates are/will be available as and when required in India due to the growing unemployment situation. Employers' versions may be true with unskilled and clerical staff but it is not true in the case of all other categories as there is shortage for certain categories of human resources.

Trade unions and employees also resist HRP as they view that it increases the workload of employees and prepares programmes for securing human resources mostly from outside. The other reason for their resistance is that HRP aims at controlling the employees through productivity maximisation etc.

(ii) **Uncertainties:** Uncertainties are quite prominent in human resources practices in India due to absenteeism, seasonal employment, labour turnover etc. Further, the uncertainties in the industrial scene like technological change and marketing conditions also cause imperfections in human resources planning. The uncertainties make HRP less reliable.

(iii) **Inadequacies of Information System:** Information system regarding human resources has not yet fully developed in Indian industries due to low status given to personnel department and less importance attached to HRP. Further, the reliable data and information about the economy, other industries, labour market, trends in human resources etc., are not available.

2.6 RECENT IMPLICATIONS IN HRP

Most of the organisations, before the 1990s employed human resources without human resources planning. This was more acute in the public sector whose objective was creation of employment opportunities. The absence of human resources planning before 1990s led to the following implications in Indian companies.

(i) **Overstaffing:** Most of the organisations are found to be overstaffed compared to their counterparts in other countries.

(ii) **VRS/Golden-handshake:** The absence of human resources planning led to overstaffing. Consequently, most of the organisations announced VRS/Golden-handshake programmes in order to reduce the consequences of overstaffing.

(iii) **Delayering and Downsizing:** Most of the organisations delayed their organisations and announced down sizing programmes to rectify the consequences of overstaffing.

Now, we shall discuss the recent trends in HRP.

RECENT TRENDS IN HRP

- **Outsourcing:** Most of the organisations started to plan for outsourcing human resources rather than HRP in order to:
 - Reduce the cost of human resources.
 - Avoid the difficulties in human resources management and
 - Reduce the negative implications of overstaffing.
 - Many organisations outsourced the canteen, housekeeping, sales, bookkeeping, accounts receivables and employee welfare operations.
 - **Contingency clause in HRP:** Most of the software companies have been implementing time bound projects. Similarly, fast delivery has been the vital strategy of many manufacturing companies. Hence, most of these companies

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5. *Employment Exchanges.* Employment exchanges also serve as an important source of recruitment for a number of business concerns. They are considered a useful source for the recruitment of clerks, accountants, typists, etc.

6. *Advertising the Vacancy.* One more source that is tapped by the companies is advertising the vacancy in leading papers. This source may be used in case the company requires the services of persons possessing certain special skills or if there is an acute shortage of labour force.

7. *Labour Unions.* In companies with strong labour unions, persons are sometimes recommended for appointment by their labour unions. This may also be done in pursuance to an agreement between the union and the management.

2.9 SELECTION

Meaning

Selection is the process of carefully screening the candidates who offer themselves for appointment so as to choose the most suitable persons for the jobs that are to be filled. It is the process of matching the qualifications of candidates with the requirements of jobs to be filled.

Selection is the process of differentiating between applicants in order to identify and hire those with a greater likelihood of success in a job.

Selection Procedure

There can be no standard procedure to select different types of employees or to be adopted by all concerns. In practice, selection procedure differs from job to job and from organisation to organisation. In some cases, selection is a very simple and one-step process. But in many cases, it is quite complex and time-consuming.

The main steps in selection procedure may be as follows:

- Preliminary Interview
- Application blank
- Selection tests
- Employment interview
- Checking of references
- Group discussion
- Physical examination, and
- Final approval.

Preliminary Interview

The purpose of preliminary interview is to eliminate the totally unsuitable candidates. It is generally brief and may take place across the counter in the employment office of the company. It consists of a short exchange of information regarding the candidate's age, qualifications, experience and interests. It helps to determine whether it is worthwhile for the candidate to fill in an application form. It saves the expense of processing unsuitable candidates and saves the candidate from the trouble of passing through the long procedure. Preliminary interview provides basic information about candidates.

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(B) Internal Factors

- (i) *Size of the Organisation:* Staffing practices depends upon the size of the organisation. A small organisation cannot have the same staffing practices, which a large organisation may have.
- (ii) *Organisational Image:* The image of an organisation in human resource market depends on its staffing practices like facilities for training and development, compensation and incentives, and work culture. If all these factors are positive, an organisation may be in a better position to attract the candidates and customers.
- (iii) *Technological Factors:* In technological changes technical personnel, skilled workers and machine operators are increasingly required while the demand for other employees has reduced. The procurement of skilled employees and their increase in numbers to match the changing job requirements has become a complicated task.
- (iv) *Changes in Employee Roles:* Nowadays the relationship in which employees and management are partners in the organisation the management improves the staffing process by:
 - To provide various benefits to improve morale
 - To introduce negotiating machinery to reduce grievances
 - To encourage employee participation in decision-making.
- (v) *Education:* In recent years increased formal education led to the changes in attitude of employees. The well-educated employees always challenge and question the management's decision and want a voice in the company's affairs affecting their interest. Thus management of well-educated employees is a problem to the organisation though they make valuable contributions.

2.8 RECRUITMENT

Meaning

Recruitment is the process of identifying the sources of potential employees and encouraging them to apply for jobs in the organisation. According to Dalton E. McFarland, "The term recruitment applies to the process of attracting potential employees to the company." The main purpose of recruitment is to create a pool of candidates from which personnel with required skills can be selected. Every organisation has to recruit personnel through the amount of recruitment may differ from organisation to organisation depending upon the size of the organisation, nature of job and the recruitment policy, etc.

Recruitment involves attracting and obtaining as many applications as possible from eligible job-selection

Sources of Recruitment

The sources of recruitment can be broadly classified into two categories: internal and external. Internal sources refer to the present working force of a company. Selecting individuals from amongst the existing employees of the company may fill vacancies other than at the lowest level. Recruitment sources are two types. They are internal and external sources.

Internal Sources

- Present permanent employees
- Present temporary/casual employees
- Retired employees
- Dependents of deceased, disabled, retired and present employees.

Merits of Internal Sources

- Internal recruitment can be used as a technique of motivation.
- Morale of the employees can be improved.
- Employees economic needs for promotion, higher income can be satisfied.
- Trade unions can be satisfied.
- Employees become loyal to the enterprise.
- Industrial peace is ensured.
- People recruited from within the organisation do not need induction training.
- A better employee—employer relationship is established.

Demerits of Internal Sources

- It may encourage favouritism and nepotism.
- This method limits the choice of selection to the few candidates available within the enterprise.
- It may lead to inbreeding, resulting in promotion of people who have developed a respect for the tradition and who have no new ideas of their own. It is generally the new blood which brings in new ideas.

External Sources

- Re-employing former employees
- Friends and relatives of present employees
- Applicants at the gate
- College and technical institutions
- Employment exchanges
- Advertising agency
- Labour union

1. Re-employing Former Employees. Former employees who have been laid-off or have left for personal reasons may be re-employed. These people may require less initial training than that needed by total strangers to the enterprise.

2. Friends and Relatives of Present Employees. Some industries with a record of good personnel relations encourage their employees to recommend their friends and relatives for appointment in the concern where they are employed.

3. Applicants at the Gate. The factory representative interviews unemployed persons who call at the gates of the factories and those who are found suitable for the existing vacancies are selected. This is an important source in countries where there is a lot of unemployment.

4. College and Technical Institutions. Many big companies remain in touch with the colleges and technical institutions from where young and talented persons may be recruited. This type of source is more popular in advanced countries where there is a shortage of highly qualified technical people.

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(iv) **Interest tests:** These tests aim at finding out the types of work in which a candidate is interested. They are inventories of the likes and dislikes of the people of some occupation, hobbies and recreational activities. They are useful in vocational guidance, and are assessed in the form of answers to a well-prepared questionnaire.

(B) CLASSIFICATION ON THE BASIS OF USE OF TESTS

On the basis of the use of which the tests are put, they may be classified in three broad categories: selection tests, classification tests, and placement tests.

Selection Tests: In making a selection, an organisation may decide to accept some candidate and reflect others, for filling its various jobs. Hiring of an employee is a selection test.

Classification Tests: Under such tests, special considerations are given to determine on which of the several possible assignments a person will be able to do his best.

Placement Decision: It concern with assigning a person to different levels of work, rather than distinctly different types of work. For example, choosing a candidate for officer's cadre from amongst the applicants is a placement decision.

(C) INDIVIDUAL AND GROUP TESTS

In individual Tests, a single individual is given a test at a time usually by a trained examiner who not only scored and interpreted the results but also observed his behaviour carefully throughout the testing period.

Group Tests, on the other hand, are usually presented in a format which allows the individual to record his own responses and can be simultaneously given to a number of individuals, without any special need of observing their behaviour.

In sum, it may be noted that some tests have a very wide application and are used by firms, agencies and educational institution. These have been standardised. Some firms have however developed tests to suit their own requirements; these are known as tailor-made tests, and are developed only when there is a continuing demand for a large number of new employees for a single job.

2.11 INTERVIEW AND ITS TYPES

According to Scott and others, "an interview is a purposeful exchange of ideas, the answering of questions and communication between two or more persons."

In other words, an interview is an attempt to secure maximum amount of information from the candidate concerning his suitability for the job under consideration.

In **structured interview**, the interviewer uses present standardised questions which are put to all applicants, while in the **unstructured interview**, rarely questions are put by the interviewers. Interview does most of the talking.

Generally, interviews fall in six categories:

- (i) Patterned or highly organised interviews;
- (ii) Non-directive, free or quite unorganised interviews;
- (iii) Depth or discussion interviews;
- (iv) Situational or problem-type interviews or leaderless group discussion interviews;

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- (v) Panel or board interview; and
- (vi) Stress interview

(i) **Patterned or Highly Organised Interviews:** This is the most common method of interview. It is based on the assumption that, to be most effective, every pertinent detail bearing on what is to be accomplished, what kind of information is to be sought or given, how the interview is to be conducted, and how much time is to be allotted to it, must be worked out in advance. Questions would be asked in a particular order, with very little deviation. If an applicant wants to discuss something else, he is swiftly guided back to the prepared questions. Such interviews are also called standardised interviews for they are pre-planned to a high degree of accuracy and precision.

(ii) **Non-Directive, Free or Quite Unorganised Interviews:** It is unstructured and is relatively non-planned as to format. In such an interview, the applicant is asked some very general questions, and he may reply to these in any way he likes for a considerable length of time. In other words, the interview is not directedly questions or comments as to what the candidate should be asked. Generally, the candidate is encouraged to express himself on a variety of subjects, on his expectations and motivations, background and upbringing, interests, even political predilections, etc., the interviewers look for traits of character and nature of aspirations and his strengths and weaknesses, manifest or potential. The purpose of such interview is to determine what kind of person a candidate really is.

(iii) **Depth or Discussion Interviews:** It is semi-structured in nature and utilities questions in key areas which have been studied in advance by the interviewer. The typical subjects discussed at such interview include the candidate's home life, education, previous experience, aptitude, recreational interests, and hobbies.

(iv) **Group Discussion Interview:** In this type of interview groups rather than individuals are interviewed. The interviews are given certain problem and are asked to reach a specific decision within a particular time limit. The applicants enter into group discussions, knowing that the interview is a test, but do not know which qualities are being measured or tested. In this type the emphasis is on the analysis of the interviewer's impressions from discussions rather than factual information.

(v) **Panel or Board Interview:** In this type of interview, a candidate is interviewed by a number of interviewers. Questions may be asked in turn or asked in random order as they arise on any topic.

(vi) **Stress Interview:** In this stress interview, the interviewer assumes a hostile role toward the applicant. He deliberately puts him on the defensive by trying to annoy, embrace or frustrate him. Usually, the interviewer, in such circumstances, asks questions rapidly, criticises the interviewee's answers, interrupts him frequently, keeps the candidate waiting indefinitely and then subjects him to a barrage of interrogations questioning whatever he might state, or too many questions are asked at a time by many interviewers make derogatory remarks about the candidate or puts him in an awkward situation by dropping something on the floor and asking him to pick it up, accusing him that he is lying and so on. The purpose is to find out how a candidate behaves in a stress situation—whether he loses his temper, gets confused or frightened.

2.12 ORIENTATION

Orientation is a process of acquainting the new employees with the existing culture and practices of the new organisation. It includes the activities of introducing a new

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employee to the organisation and the work unit. The focus of orientation is to make the induction process smooth in breaking initial anxieties of the new recruits. This involves a gamut of activities like familiarising the new members with the organisation's objectives, history, philosophy, procedures, and rules, communicating to them relevant HRM policies such as work hours, pay procedures, overtime requirements, and company benefits, and at the same time reviewing the specific duties and responsibilities for the job as well as organisation's physical facilities offered to the employees. Introducing the employee to his or her manager and co-workers is also an important part of orientation.

During any orientation, it is important to convey that organisation believes in continuous learning and improvement. A well-planned programme, though requires sincere effort, expenditure and more time, it always pays substantially to the individual employee and the organisation in-terms of performance. The first encounter in job is essentially crucial in developing a good or bad experience. Hence, they should get all the support while passing through this transition phase. The way they are treated can help them in making a smooth transition to their new organisation, or can cause them unnecessary anxiety.

Orientation is a systematic and planned introduction of employees to their jobs, their co-workers and the organisation. It is also called **induction**.

Orientation Process

Orienting a person with the system, practices and culture of the organisation is the most difficult proposition, reason being you need to unlearn many past experience and mindset of the participants to prepare them to learn the new things. Orientation as a process has three stages:

- A general orientation
- A departmental orientation
- A specific job orientation

(i) **General orientation:** In this phase, the basic objective is to make the employee feel at ease and comfortable and to motivate him to go through the orientation process seriously for a better adaptability to the organisation. This part should include exposing them to the history of the organisation, business goals and processes of the organisation. They should be taken for a visit to the whole organisation to understand the business processes. The classroom input should be given for a month and after that they should be placed in each department as a trainee to understand the processes and also to appreciate that each activity is important in the organisation for the final outcome. This is normally being followed for the fresher and they work in each department for a substantial period. The duration of the whole orientation programme is different for individual companies and positions. This ranges from a week to a year depending on the above criteria. The following issues should be covered in the general orientation.

- It is essential to create team spirit among the newcomers by assigning different team based assignments. This will give opportunity to all the participants to interact with each other and to develop good interpersonal relationship among themselves.
- The new employee during the orientation should be treated with dignity and respect. They should not be treated as strangers to the organisations.

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If an individual fails to meet minimal requirements in one job, he or she will be considered for other available jobs and will probably be offered employment in one of them. From a managerial perspective, the task is to understand and capitalise on each person's individuality. Since human attributes vary along many relatively independent ability, interest, biographical sketch, and personality dimensions, a person's individuality is best viewed as his or her unique profile of scores on a variety of individual measures.

Once we establish this unique profile for each individual, people and jobs can be matched optimally within the constraints set by available people. If the number of individual is large in relation to the available jobs, only the best qualified persons can be selected and placed. On the other hand, when more jobs are available, optimal placement is possible. Thus, the number of people and the number of jobs determine the placement process in any organisation.

Placement refers to the allocation of people to jobs. It includes initial assignment of new employees, and promotion, transfer, or demotion of present employees.

2.14 TRAINING AND DEVELOPMENT

Training may be defined as a *planned programme designed to improve performance and to bring about measurable changes in knowledge, skills, attitude and social behaviour of employees for doing a particular job*. Nowadays, training has an additional purpose of facilitating change. And management training is basically equipping managers with such knowledge, skills and techniques as are relevant to managerial tasks and functions.

India, though a developing country, spends \$50 billion on training each year whereas wealthy USA spends nearly twice as much. Expenditures of such magnitude call for a periodic sharp look especially since organisations are expanding fast and there is a growing demand for finding benefits commensurate with the escalating costs of training.

What today's and tomorrow's training programmes must focus on, are soft-skills such as interpersonal communication, teamwork, innovation and leadership. Most importantly, the training has to be comprehensive, systematic, and continuous and should be closely linked to the strategy with which the company is planning to fight the competition. In the future, it is training that will act as catalyst between people, between strategy and systems, between customers and the organisation.

Irrespective of whether we are involved in employee training or employee development, the same result is required. Training for employee development is different in terms of approach than teaching. Training is basically the learning experience that brings a permanent change in an individual, thereby improving his ability to perform on the job. Learning is mostly the modification of behaviour in the light of past experience which is a continuous process to keep the employees competent and good performer.

The principles of learning are:

1. **Initial Motivation or Readiness.** The initial urge drives the individual to learn. Hence, a need, a wish or an ambition is required to motivate the individual to learn. Though learning has to be done by the learner, the initial motivation needs to be created by the organisation.

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2. **Multiple Response or Response by Trial-And-Error.** Learning may take place either in a single trial or through multiple trials. The length of the provisional trial-and-error period will depend on the content of the task, the maturity of the learner and the skill, understanding and experience, which he brings to the task. The basic objective of the training is to reduce the trial-and-error period and to help the learner to master the skills quickly and effectively.
3. **Selection of Responses Through Reinforcement (The Law of Effect).** The provisional trial period ends when the correct activity occurs. The right response reinforces thereby increasing the chances of their subsequent selection and repetition whereas on the other hand, the un-reinforced response drops out. This is the *law of effect*.
4. **Principle of Extinction.** The dropping out of un-reinforced responses or their reduction of occurrence is called extinction. Extinction bears somewhat the same relationship to reinforcement that forgetting does to frequent recall. Hence, reinforced learned skills, though temporarily forgotten, may reappear suddenly.
5. **Law of Exercise in Habit Formation.** Once the correct sequence of acts has been established as a result of reinforcement, the skills can be learnt through repetition or exercise. The quality of employees and their development through training and education are major factors in determining long-term profitability of a small business. If you hire and keep good employees, it is wise to invest in developing their skills, so they can increase their productivity. Training often is considered for new employees only, which is a mistake, because ongoing training for senior employees helps them to update themselves of the rapidly changing job requirements.

Purpose of Training and Development

The people development in the organisation has been emphasized because of the following advantages:

- Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organisation.
- Enhancing the company's ability to adopt and use advances in technology because of a highly knowledgeable staff.
- Building a more efficient, effective and highly motivated team, which enhances the company's competitive position and improves employee morale.
- Ensuring adequate human resources for expansion into new programmes.

Employees frequently develop a greater sense of self-worth, dignity and well-being as they become more valuable to the firm and to society. Generally they will receive a greater share of the material gains that result from their increased productivity. These factors give them a sense of satisfaction through the achievement of personal and company goals.

Training and development offer competitive advantage to a firm by removing performance deficiencies; making employees stay long; minimising accidents, scrap and damage; and meeting future employee needs.