Human Resource Planning

Meaning and Nature of Human Resource Planning

- Human resource planning determines the movement of the organization from the present human resource position to the anticipated one.

- It is a process which determines and assures the required number and kind of people at proper time and at proper places to accomplish the organizational objectives.

- The human resource planning is a continuous process of searching the right kind and number of people at right time and at right places, to perform in the organization bringing benefits to the enterprise and individuals.

- The human resource planning should be in tune with the overall planning of the organization.

- A properly implemented human resource planning leads to improvement in productivity and helps in attaining enterprise goals.

- It also helps in minimizing labor turnover.

- Human resource planning enables management in placing right people in right positions and at right time. This is possible if the human resource department is well integrated into the organization's functioning and is given a free hand to play its role.

- Human resource planning is the decision making process regarding procurement, development, compensation, information, welfare, appraisal and safety of human resources.

- It is a process of visualizing the organizational plans and objectives into a reality by providing quantitative and qualitative human resource requirements through their proper utilization.

- The formulation and choice of human resource planning depends upon the type and kind of organization. It may prefer short term or long-term, flexible or rigid human resource planning. It mostly depends in turn upon the strategy adopted by the organization.

Objectives of HR planning

1. Provide Information

The information obtained through HRP is highly important for identifying surplus and unutilized human resources. It also renders a comprehensive skill inventory, which facilitates decision making, like, in promotions. In this way HRP provides information which can be used for other management functions.

2. Effective Utilizations of Human Resource

Planning for human resources is the main responsibility of management to ensure effective utilization of present and future manpower. Manpower planning is complementary to organization planning.

3. Economic Development

At the national level, manpower planning is required for economic development. It is particularly helpful in the creating employment in educational reforms and in geographical mobility of talent.

4. Determine Manpower Gap

Manpower planning examine the gaps in existing manpower so that suitable training programmes may be developed for building specific skills, required in future.

5. To Forecast Human Resource Requirements

HRP to determine the future human resource needed 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.

6. Analyze Current Workforce

HRP volunteers to assist in analyzing the competency of present workforce. It determines the current workforce strengths and abilities.

7. Effective Management of Change

Proper HR planning aims at coping with severed changes in market conditions, technology products and government regulations in an effective way. These changes call for continuous www.notesguru.info allocation or reallocation of skills evidently in the absence of planning there might be underutilization of human resource.

8. Realizing Organizational Goals

HRP helps the organization in its effectively meeting the needs of expansion, diversification and other growth strategies.

Importance of HRP

1. Human resource planning meets the organization need for right type of people in right number at right times.

2. By maintaining a balance between demand for and supply of human resources, human resource planning makes optimum use of human resources, on the one hand, and reduces labor cost substantially, on the other.

3. Careful consideration of likely future events, through human resource planning might lead to the discovery of better means for managing human resources. Thus, foreseeable pitfalls might be avoided.

4. Manpower shortfalls and surpluses may be avoided, to a large extent.

5. Human resource planning helps the organization create and develop training and succession planning for employees and managers. Thus, it provides enough lead time for internal succession of employees to higher positions through promotions.

6. It also provides multiple gains to the employees by way of promotions, increase in emoluments and other perquisites and fringe benefits.

7. Some of the problems of managing change may be foreseen and their consequences mitigated. Consultations with affected groups and individuals can take place at an early stage in the change process. This may avoid resistance for change.

8. Human resource planning compels management to asses critically the strength and weaknesses of its employees and personnel policies on continuous basis and, in turn, take corrective measures to improve the situation.

9. Through human resource planning, duplication of efforts and conflict among efforts can be avoided, on the one hand, and coordination of worker's efforts can be improved, on the other.

10. Last but no means the least, with increase in skill, knowledge, potentialities, productivity and job satisfaction, organization becomes the main beneficiary. Organization is benefitted in terms of increase in prosperity/production, growth, development, profit and, thus, an edge over its competitors in the market.

Process of HRP

Steps in Human Resource Planning are:

Human resource planning is a process through which the right candidate for the right job is ensured. For conducting any process, the foremost essential task is to develop the organizational objective to be achieved through conducting the said process.

Six steps in human resource planning are presented in Figure:

1. Analyzing Organizational Objectives:

The objective to be achieved in future in various fields such as production, marketing, finance, expansion and sales gives the idea about the work to be done in the organization.

2. Inventory of Present Human Resources:

From the updated human resource information storage system, the current number of employees, their capacity, performance and potential can be analyzed. To fill the various job requirements,

the internal sources (i.e., employees from within the organization) and external sources (i.e., candidates from various placement agencies) can be estimated.

3. Forecasting Demand and Supply of Human Resource:

The human resources required at different positions according to their job profile are to be estimated. The available internal and external sources to fulfill those requirements are also measured. There should be proper matching of job description and job specification of one particular work, and the profile of the person should be suitable to it.
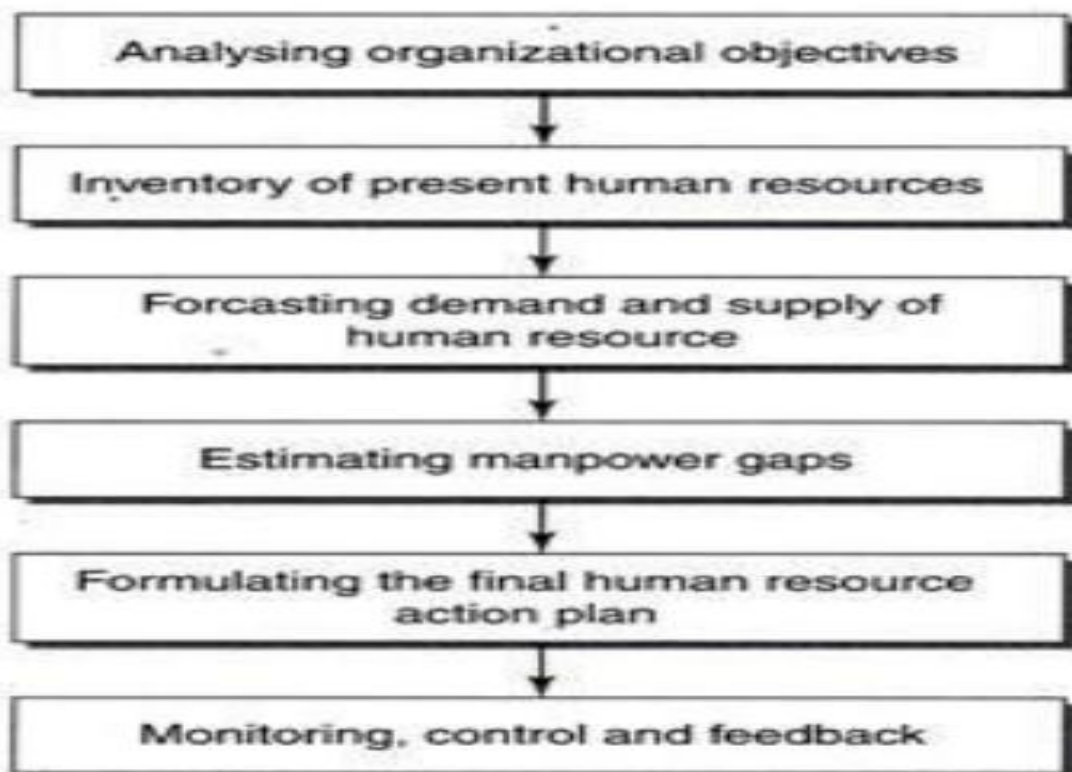
4. Estimating Manpower Gaps:

Comparison of human resource demand and human resource supply will provide with the surplus or deficit of human resource. Deficit represents the number of people to be employed, whereas surplus represents termination. Extensive use of proper training and development programme can be done to upgrade the skills of employees.

5. Formulating the Human Resource Action Plan:

The human resource plan depends on whether there is deficit or surplus in the organization. Accordingly, the plan may be finalized either for new recruitment, training, interdepartmental transfer in case of deficit of termination, or voluntary retirement schemes and redeployment in case of surplus.

6. Monitoring, Control and Feedback:

It mainly involves implementation of the human resource action plan. Human resources are allocated according to the requirements, and inventories are updated over a period. The plan is monitored strictly to identify the deficiencies and remove it. Comparison between the human resource plan and its actual implementation is done to ensure the appropriate action and the availability of the required number of employees for various jobs.

Quantitative Considerations

(1) Economic considerations related to determining the economic situation and in light of future estimates of sales and production. These estimates affect workforce requirements.

(2) Future expansion programs also affect future workforce requirements.

(3) The availability of existing human resources of various kinds should be taken into account. This is useful in anticipating future workforce requirements.

(4) The turnover rate of labor is an important tool through which estimates can be made regarding the future needs of the workforce. Provides statistically required information, i.e. the number of employees who left and joined the organization during a specific time period. Turnover rates are calculated by applying the separation method, the replacement method and the flow method. In light of the rate of labor turnover, requirements for a future workforce can be estimated.

(5) Resignations and retirement, promotion, demotion, separation, transfer, demobilization, demobilization, etc. are other important considerations that should be taken into consideration before embarking on the HR planning process.

(6) Changes in management thought, philosophy, plans, etc. affect workforce plans. Changes, technological diversity, etc. Changes occur in the skills and performance of workers.

Qualitative Considerations

These Cover:

(1) Work-load analysis. It is a technical aspect of manpower planning. It includes and studies auditing of human resources, study of work standards and demand analysis etc.

(2) Auditing of Employees Involves Preparation of Skill Inventory. Skill inventory covers data regarding skill and work priorities pertaining to work of different categories of workers. Big organizations prepare organizational charts and other employee information cards for this purpose.

(3) Study of work standards is necessary for the quality of workers required. It is indispensable for preparing job analysis which includes job specifications and job descriptions.