
UNIT 3 HUMAN RESOURCE PLANNING AND STRATEGY

Structure

- 3.0 Learning Outcome
- 3.1 Introduction
- 3.2 Manpower Planning
 - 3.2.1 Requirements of Manpower Planning
 - 3.2.2 Process of Manpower Planning
 - 3.2.3 Aspects of Manpower Planning
 - 3.2.4 Advantages of Human Resource Planning
- 3.3 Shortcomings of Manpower Planning
- 3.4 Manpower Planning in the Civil Service
- 3.5 Conclusion
- 3.6 Key Concepts
- 3.7 References and Further Reading
- 3.8 Activities

3.0 LEARNING OUTCOME

After going through this Unit, the learners shall be able to:

- Understand the significance of human resource planning at macro (national, state) and micro levels (company, department);
- Understand the academic status of human resource planning as an integrated discipline; and
- Understand the need for manpower planning in the civil service.

3.1 INTRODUCTION

The human resource (HR) section is in charge of securing needed integration in organisational practice. In its essentials, HR planning is simply the formal process of linking organisational strategy with human resource practices. It is about perceiving organisational practice as a whole and not piecemeal. In a competitive climate, organisations need to use models and approaches that secure ‘uniqueness’ of operations along with enhancing ‘organisational capability’ (Yake and Ulrich, 1994). *Uniqueness* may be defined as the ability to transfer strategy to employee action, align systems and strategies to make strategies real (Ulrich, 1994).

Implementation of HR planning can take different forms ranging from a mere afterthought or an appendix to the main organisational plan, to a distinct and separate process, focusing distinctly

on the HR function. HR plan is designed to pay attention to shaping the priorities of the HR function than on supporting activities relating to the organisation's functioning as a whole. In extreme cases, HR plan could even be an isolated practice with little or no input from managers outside the HR function.

HR planning occurs at several levels: aggregated workforce planning at the *strategic level*; career planning of homogenous group of employees at the *tactical level*; posting and deployment planning of individuals at the *operational level*. At all these levels, technology has been harnessed to provide HR managers with sophisticated planning tools to craft effective policies. Tools that empower them to conduct a more thorough analysis of possible policy options, to evaluate the effectiveness of alternative schemes prior to implementation and to apply & adjust personnel plans (for example, deployment of scarce professional resources) in response to real-time business needs. It employs tools that allow HR managers to make plans quickly and more frequently in order to keep pace with the dynamic operating environment. (Ulrich, 1994) There is need for a unifying framework for strategic, tactical and operational HR policies and plans to provide for internal consistency and coherence in an organisation.

Strategic manpower planning is needed to counteract pulls and pressures of globalisation. "The strategic manpower planning system ably exploits the available talent in an organisation and determines the most appropriate sets of personnel policies to develop and retain the right mix of people to achieve organisational goals."

The tactical planning system addresses the career planning and development needs of personnel in the organisation. Career path is mapped out for individual employees and required training provided to maximise individual and organisational capacities the peculiarities and specific career needs of professions within the organisation. As such, the key output of tactical model is a career plan that systematically grooms the right number of individuals to hold the various jobs. The career plan will spell out the sequence of jobs to assume and the trainings to attend so that the individuals going through the pace will gain the necessary exposure and experience to discharge the duties professionally.

Finally, the *operational planning system* assists the HR managers to formulate optimal personnel posting or deployment plan for the employees. With the exceptions of very small companies, where job changes (promotion or lateral move) are generally opportunistic in nature, most companies (especially the more structured institutions like the Armed Forces) can orchestrate job changes to ensure that both the individual's aspirations and the organisation's objectives (as represented by the strategic and tactical goals) are well aligned. (IDSC, 2005)

The purpose of HR Planning therefore is optimising efficiency of the Human Resource in an organisation. Architecture or blueprint of an HR plan reveals the following three different phases (Ulrich, 1994)

According to William Tracey (1994), the areas covered in HR planning are:

- The mission and vision of organisation, leadership style, objectives, corporate culture, ideal employee profile, highlighting, incorporating, and integrating organisational and individual philosophy for maximising welfare of both constituents viz. individual the group of organisational effort for securing and maintaining internal organisational equilibrium and

contributions procured or elicited from ‘co-contributors’ or employees in an organisational situation;

- Relating HR and work plans, highlighting resources, instituting cost-effective strategy, binding strategies with HR philosophy of the organisation, delineating organisational processes viz. delegation, centralisation, decentralisation, span of control, etc.;
 - Articulating HR needs for short-term and long-term purposes;
 - Designing HR structure involving written job descriptions, formal organisational charts, reporting and communication processes, etc;
 - Delineating HR policies viz. recruiting, compensation, benefits, evaluation and recognition programmes, pension, employees’ development, etc.;
 - Provisioning HR technology that is, software, HR management systems, workspace and equipment; and;
 - HR management viz. selection, development, advancement and succession planning, redressing problems of employees, employee integration, teambuilding, motivation and productivity.
- a) Formulation of Strategic Intent: Clear and specific division of labour and job design is the important requirement of this phase. For that purpose, organisational mission has to be articulated clearly and internalised by employees. Ideology of an organisation can be inferred from its mission statement. For example, Avery India’s mission is articulated thus:

“True leadership and flexible approach can ensure customer satisfaction, internal and external. The objective is to provide high quality of products and services to customers”

- Reflections would be that besides the organisation being end-oriented, the systems and processes are flexible.
 - The inference would be that since premium is put on flexibility and end-orientation, the organisation will be innovative, creative, and value adding (Sushil, 2005)
- b) Human Resources Integration Phase – Four chief areas of activity in the integration phase are as follows (Ulrich, 1994):
1. *The competence pillar*, denoting the staffing and development function, addressing issues like the competence profile of personnel; skill enhancement techniques that can be gainfully used for employee capacity building;
 2. *The performance management pillar*, emphasising performance appraisal, management and reward processes; norm setting, motivation and morale of employees;
 3. *The governance pillar*, concerning, organisation design involving structural functional postulates, job design, decision making, hierarchy, team work, accountability, communication etc. the intent being to optimise organisational processes with a suggestion of the “Critical theory”;

4. *The leadership pillar* focusing on core and critical areas the leader chooses to stress, imparting direction to the working of the enterprise.
- c) The Making it Happen Phase; involving prioritising action sequences, ‘allocating values’ to relative ends, thereby charting organisational course. Personnel planning are an ongoing process in rapidly changing organisations where frequent revisions of strategies are needed. An effective personnel planning involves systematic prediction of human resource needs and ensuring timely adjustments.

3.2 MANPOWER PLANNING

Human Resource planning is also known as manpower planning. Personnel management involves productive exploitation of manpower resources. Manpower management involves choosing the right personnel as and when the need arises. As aforesaid, it also involves upgrading qualitatively, the existing human resource.

Manpower is defined as the total knowledge, skills, creative abilities and aptitudes of an organisation’s work force...the sum total of inherent abilities, acquired knowledge and skills represented by the talents and aptitudes of the employed persons (Gupta, 1988) Planning is nothing but using the available assets for the effective implementation of production plans. After the preparing the plans, people are grouped together to achieve organisational objectives. Planning is concerned with coordinating, motivating and controlling of the various activities within the organisation.

Manpower planning is a technique of correcting imbalances between manpower demand and supply in an organisation at a micro level and in the economy at the macro level. Such imbalances create either the problem of excess supply or shortage of manpower. It is necessary to plan for long-term growth.

Manpower planning has two aspects – (a) quantitative, and (b) qualitative. The former deals with the numerical strength of employees required or anticipated over a period of time while the latter deals with qualifications desired of prospective employees at different levels in an organisation. Manpower planning has two major objectives:

1. Formulation of recruitment plans to avoid unexpected shortages etc., and
2. Identification of training needs to avoid skill shortages

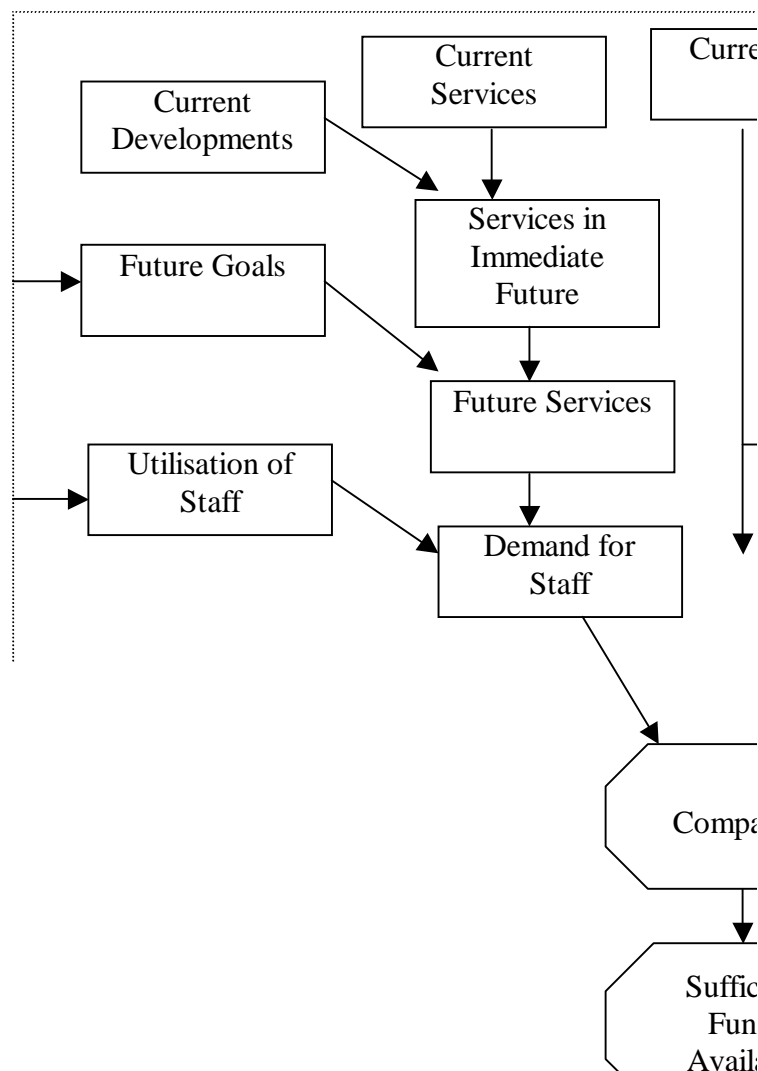
Narrowly defined thus, manpower planning is the process by which an organisation forecasts the quantity and requisite qualifications of persons required by the organisation at some future point and ensures that right number and kind are employed at the right time to ensure unimpeded functioning of the organisation.

In the absence of such a plan, a business or an organisation would face exigencies like sudden shortages of labour consequent to diversification and expansion of business, retrenchments, employee turnover, costly processes, etc. A manpower plan covers up for such contingencies by providing for future requirements in a planned way. In statistical terms, it is a process of data collection, analysis and projection to help management match manpower supply with demand in accordance with the requirements of the organisation and make relevant policies in the area.

Manpower planning is not an isolated paper exercise but an integral management function. Inside an organisation, decisions regarding selection, training, compensation, etc., are taken in the process of formulating a manpower plan. All activities are integral to it and proceed from job analyses and descriptions undertaken at each level. Human resource planning has to be in keeping with organisational objectives.

The scope of the function in different organisations would be different as per the needs of the specific organisation in question. The scale of human resource or manpower plan would differ with the scale and breadth of activity of an organisation. The process of manpower planning is diagrammatically illustrated in the following chart.

Manpower Planning Process: A Framework



3.2.1 Requirements of Manpower Planning

Built-in flexibility in HR plan structure has to be provided for. Personnel demand-forecast and supply requisition change over time with change in technology, job description, cost considerations,

etc. The plan must be continuously monitored to carry out timely adjustments. Since objectives of the organisation have to be modified in accordance with altering environmental factors, manpower planning is a continuous process and requires reviewing from time to time. People, jobs, time, and money are the four basic ingredients of the planning process. As previously discussed, the process is contingent on the organisation's strategic management decisions and environmental uncertainties. These two factors determine the length of time for which the plan has been undertaken, its limits, information available to policy planners and the nature of jobs to be filled.

On the basis of empirical studies conducted over the period of time, the measures for effective manpower planning are enumerated as follows:

1. To eliminate haphazard expansion of personnel, there should be adequate manpower planning so that there is logical forecasting of manpower needs at least ten years in advance. The micro plan (section wide) should then be related to the macro plan (organisation wide) and the wider socio-economic policy of the country;
2. It is essential for organisations to have declared and consensual personnel policy which reflects the total personnel situation in the organisation rather than address it piecemeal;
3. Personnel policy must be developed at the headquarters or comparable level. It would be good if academic guidance is sought from academic and research institutions;
4. Staffing section must be under the charge of a duly qualified and trained personnel officer. It is necessary that manpower planners acquire specialised skills, not only through experience but also by academic learning;
5. Manpower planning should involve proper-mix of different categories of workers. This proper-mix should be determined by the policy and the socio-economic status of the country;
6. While formulating personnel policy, all possible internal as well as external resources should be explored for data collection. To supplement internal data, the administration would need to collect information from external sources, for example, associations or unions of employees;
7. Personnel department should lay down a clear policy and then supervise its implementation. Obviously, it would become easier to give more responsibility to unit chiefs at head offices and in the fields. In other words, instead of dealing with countless individual cases, the department of personnel should confine itself to laying down principles and supervising their application for economy and efficiency.
8. The personnel department must also design an effective system for evaluating individual and staff performance. Standards of performance must be set up to measure the quality and quantity of the work. Writing on politics and public administration at the State and local levels in the U.S., an astute participant and observer, Louis Brownlow concluded, "I have become convinced that in all but extremely exceptional instances, the level of performance once raised, never drops back all the way";
9. The personnel department must carry out researches into various aspects of personnel administration in collaboration with training institutions and universities to identify future requirements and trends (futuristic approach);

10. The gap between planning and implementation must be bridged if plans are to be successfully converted into reality;
11. Training programmes should be need-based, task-oriented and use practical simulations where trainees work and apply their skills;
12. There is need for role clarity to avoid overlapping and role ambiguity. Ultimate aim of manpower planning is to ensure optimum utilisation of the capacity of the existing personnel;
13. Manpower planning is a continuous, networked cyclical process requiring constant review and adjustments.

A standard manpower plan examines the output of the sector in question up to some year in the future, usually ten or twenty years. Manpower coefficient is applied to the absolute increase in production to arrive at a forecast of the extra labor requirement. The main objective secured thereby, is more effective and efficient use of human resource for increased productivity.

3.2.2 Process of Manpower Planning

Manpower plan and objectives of the organisation: Objectives of the organisation have to be stated objectively and personnel requirements settled in accordance with estimations drawn. For example, objectives of a health research institute and a hospital are different. For the former, research personnel are required, for the latter, personnel qualified in the specific activity of patient care are suitable. Within the broad parameter of objectives, priorities have to be ordered and performance indicators specified in quantifiable or measurable terms for example, punctuality, allotted work hours etc. Efficiency should be measured by specific norms.

Assessment of the manpower situation: Manpower inventory has to be prepared, which involves collecting all possible information regarding educational qualifications, experience, abilities, aptitudes, performance, date of joining, date of birth and date of retirement etc. of individual employees. This helps assess basic skills of employees and the resource base of the organisation.

Organisational effectiveness over a period of time can also be assessed by statistics prepared. It also helps gain perspective for the future in terms of how efficiency levels can be enhanced, what qualifications need to be prescribed at what level, what training to institute, etc., in order to raise efficiency to desired/optimum levels.

Projection of manpower requirements: There is need to anticipate future trends in personnel availability and requirements. Application of statistical methods ranging from simple extrapolation, regression, or correlation analysis to complex econometric models help the management analyse past and present trends and estimate future requirements relatively accurately. . A manpower plan has two components: 1) Manpower Demand Plan, and (2) Manpower Supply Plan. The supply plan deals with the *source* of proposed manpower. A personnel inventory is prepared which helps in determining the desired ratio in which direct and indirect recruitments will be combined. Personnel placements from inside and outside sources are separately catalogued. A manpower plan should spell out the manpower requirements of an organisation in totality. It should have temporal, locational, and job positional dimensions (in case of field offices) besides qualitative and quantitative (Dwivedi, 1990). The process of manpower planning involves use of techniques such as quantitative analysis, multivariate skills analysis, operations research, PERT

& CPM, orthogonal polynomials, etc. Outsourcing, multi-skill training of workers and downsizing are some of the activities undertaken. In smaller organisations, departmental heads themselves have to assess manpower requirements on the basis of their own judgment and experience.

Classification and interpretation of information: Information collected must be classified to facilitate analysis. Data have to be read properly and inferences drawn accurately to derive correct conclusions and formulate objective policy based upon such conclusions.

Developing work standards and performance norms: A serious drawback in personnel administration is under- utilisation of capacity expressed as underemployment, lay offs and general below par performance of employees. This happens when work norms are not standardised and laid down objectively. There is no measuring rod to judge performance by or examine causatives behind perceived inadequate or insufficient performance. To improve objectivity, work norms need to be developed and should be framed *realistically* in that the limitations or constraints of ‘bounded rationality’ should be provided for. Standards must be developed in the light of all available information, in conformity with the requirements at specific levels. Objectives should be laid down clearly in that they should be intelligible to the ordinary worker and should not in any way result in ambiguity or lack of role specificity. The reference is to have effective communication. Besides, necessary flexibility should be built-into them so that changing requirements could be provided for. Precisely, standard laid down should be (i) *realistic*, (ii) *provisional*, (iii) *appropriate*, (iv) *flexible* and (v) *clearly defined*. Hence the order in manpower planning is to set up hierarchy of objectives, stipulate qualifications for each level, set up a manpower plan, assign weights to performance indicators, work- out plan, judge efficiency by performance indicators, review plan, etc.,

Anticipating manpower problems: Comparison of current and future manpower needs reveals the quantitative and qualitative gaps in performance of personnel. The information is useful in writing job descriptions and specifications and also plugging ‘gaps’ to reduce the efficiency ‘lag’ by discovering requirements at different levels and making provision for the same.

Costing Inventory: For manpower planning, information is also needed regarding:

- a) Materials available in the organisation;
- b) Buildings in use;
- c) Availability of computers;

Supply of Personnel: Entire exercise would be futile if ultimately personnel with requisite qualifications cannot be made available in time. Policy planners need to work in close co-operation with educational and training institutes to ensure adequate supply of personnel. Besides, policy should be sustainable in that the organisation must have sufficient funds to pay for new and added services. To meet resource constraints, less expensive alternatives need to be tried. One way could be to avoid employing highly trained personnel for tasks that can be accomplished by less qualified staff. The Thai ministry of public health, for example, employed trained mid wives in family planning programmes to reduce costs and free doctors who were in short supply for more skilled tasks. The measure reduced costs and pilot studies revealed that performance of nurse-midwives was as good as qualified doctors’.

Research Studies: Research studies are important to monitor and evaluate a manpower plan. It is only on the basis of empirical studies that future changes can be advised. Policy has to be fact based and as objective as possible to maximise rationality and avoid ‘satisficing’ solutions or a priori judgments in decision making. The economic dimension of policy making and implementation is increasingly in focus. Research is needed to assess the effectiveness of training programs by application of tools like post training surveys. Sophisticated analysis is needed to examine discrimination claims and complaints.

Manpower Planning and the Budget

Manpower planning and its integration with the PPBS are vital to secure consistent effectiveness right through, till the feedback stage. Manpower needs and implementation costs have to be documented under appropriate activity heads or cost centers (management accounting system) and integrated at each stage with objectives of other sections to build coherent policy. Monitoring and evaluation mechanisms also have to be integrated to get the ‘big picture’ and ensure cost effectiveness at succeeding stages. Knowledge of the principles of budget and manpower planning is particularly critical *at the formulation and monitoring stages*.

The need for careful budget and manpower planning is crucial for the success of any project, programme or policy. Poor formulation and monitoring of budget and manpower needs can, for example, result in the following problems:

- The rejection of projects, programmes or policies because of over-stated budget and manpower requirements at the formulation stage.
- Non- or incomplete implementation of projects due to understated costs and manpower needs, leading to chronic shortages of human and physical resources.
- A tendency for personnel costs to rise with time, “squeezing out” other important project cost items and preventing effective implementation.

In developing countries, budget and manpower planning are attended to only at the implementation stage. Plan implementation consequently loses way. There is need to continually adjust plan priorities to changing requirements. The central problem of budget and manpower planning in developing countries is how to deal with contingencies. Careful formulation and monitoring are imminent to minimise uncertainties, which are exacerbated by financial, and manpower shortages at crucial times

Four important considerations in budget and manpower planning are identified thus:

- Understand relationships between recurrent and capital costs, and personnel costs and non-personnel costs;
- Identify resources critical to project success and find out the possibility of project modification in case of non-availability of these resources;
- Understand the relationship between inputs; and
- Include contingency measures for all project inputs.

The following issues need to be considered by manpower planners:

- Capital expenditure incurs future recurrent costs. Likewise, staff costs breed non-staff costs (managing revenue expenditure);
- During formulation, it is important to identify which inputs are crucial for the success of the project and to negotiate to secure them. (assigning values);
- When assessing the future availability of manpower, allow for wastage and for the time required to train replacements and additions. (avoiding waste);
- If crucial resources are not available, modify the project (adjusting end to means adopting a pragmatic approach);
- Think about phasing inputs. Bar charts can be a useful tool for scheduling operations (managing time; securing lead time);
- As a safety measure, include contingency allowances in budget projections. Contingency measures are of two types: physical contingencies (inventory) and price contingencies (demand fluctuations); and
- Effective time management is achieved through a well documented pre-prepared plan. Planning the labour is an important part of accomplishing service work profitably. The manpower section of the tasking software can help to streamline the work assignment process for the manager.

3.2.3 Aspects of Manpower Planning

Having discussed the various steps and requirements essential for human resource planning, the question arises, what strategy should be employed to make the workforce creative, innovative and dynamic? Mentioned here in brief are the aspects of manpower planning.

I. Organisational Planning and Development

- i) Establishing organisational objectives, goals and targets.
- ii) Redesigning organisational structure.
- iii) Building inter-personal relationships intra and inter agencies and thereby in the total system.

II. Career Development

- a) Staffing
 - i) Recruitment and selection
 - ii) Placement and transfer
 - iii) Promotion
- b) Training
 - i) Training
 - ii) Refresher courses

- iii) Briefing
- iv) Sabbatical leave

III. Terms of Employment

- i) Salary administration
- ii) Incentive
- iii) Fringe benefits
- iv) Retirement benefits

IV. Employee Welfare

- i) Medical Facilities
- ii) Leave
- iii) Recreation
- iv) Housing
- v) Leave travel concession
- vi) Children's education

V. Personnel Records

- i) Personnel files
- ii) Personnel data for decision-making
- iii) Performance appraisal

VI. Morale and Motivation

- i) Financial and non-financial incentives
- ii) Conduct and discipline
- iii) Professional standards
- iv) Satisfaction of social and psychological needs.

VII. Management Staff Relations

- i) Professional associations and union
- ii) Participative management
- iii) Effective joint professional association

VIII. Personnel Research and Review (PER)

- i) Planning and determining programme areas

- ii) Analysis and interpretation
- iii) Development of more appropriate personnel programmes and policies
- iv) Development and integrated personnel approach
- v) Follow-up improvement action: and;

IX. Effective Communication

The department of personnel must provide for effective communication between the staff and the management. Proposed organisational change may actually give counter results if personnel are suspicious or resentful of contemplated change. It is not official queries or statements of confidential reports that earn staff loyalty. It is the extent to which the average staff member appreciates and understands the objectives and purposes of communication, especially regarding proposed changes, that solidarity is achieved.

The administrator must encourage employees to participate in developing solutions. To quote Ted R. Brannen, (1998) “Only by an understanding of the individual, his habits, expectations, and beliefs, can the administrator know what is needed to induce his spontaneous co-operation for the benefit of the organisation.”

X. Motivation through Decentralisation Delegation and Job Enlargement

There is need to induce proper motivation to optimize output and thereby productivity. This would require judicious decentralisation, delegation, and job enlargement and performance appraisal. Employees or unions or associations should be dealt with sternly in case of non compliance or alleged insolence on the part of any worker.

Bottom up policies and increased involvement of lower level staff in the affairs of the organisation is the only way to instill confidence among staff workers and increased commitment on their part towards the organisation. This can only be achieved through sound human resource management.

Macro Manpower Planning

Broadly, manpower planning represents a ‘systems approach’ to personnel administration with the emphasis on integration of personnel policies and programmes framed at micro levels (organisations) into macro level (state, national level) policies. Such progression continues till the wider socio- economic planning of the country wherein all such micro plans are integrated and provided for. There are *macro* plans for the state, country, and micro plans for smaller units, viz. a department or a section. The major plan comprises and evolves out of micro plans. The process can be envisioned as one progressing through a series of concentric circles with the larger circle (macro level) moving outwards, encompassing smaller ones (planning at micro level). Logical culmination of the process is in the socio-economic plan of the country, annual or five year, as in the case of India. Manpower planning is concerned not only with the balancing demand and supply of different categories of personnel but also with overall development and utilisation of the human resource in the country. Development administration is not a mechanical process. It is a human enterprise and its success depends on the skill, quality and motivation of people involved in it. Manpower planning is significant for development administration.

In the third five year plan, the planning commission observed, “of all the resources for development, perhaps the most fundamental at the present time is trained manpower...the extent of manpower available and the training facilities established constitute a major determinant of the measure of advance which can be achieved in different directions...in each field, personnel requirements have to be estimated carefully and over a long period. This calls for improved statistical information and development of techniques of manpower assessment so that the necessary estimates can be made with reasonable accuracy and a comprehensive picture built up for the economy as a whole...manpower planning is thus an integral part of the economic plans formulated by the central and state governments and their agencies and within their own specific fields by industrial associations and other organisations representing different activities or interests as well as by individual undertakings and institutions setup”.

The Institute of Applied Manpower Research aims at providing a broad perspective of requirements of trained manpower for economic development in different fields in India. It arranges for facilities for training and building up the existing workforce to evolve methods of identifying and developing talented persons and generally to secure the most effective utilisation of the country’s human resource.

3.2.4 Advantages of Human Resource Planning

Human capital transforms passive resources into active agents of production. Most developing countries confront the immense task of reforming their personnel administrations to ensure better implementation of development programmes. The more important task is the improvement of policymaking and implementation capabilities of personnel units. Organisations that fail to do an adequate job of personnel planning take incorrect decisions regarding personnel functions involving hiring, promotion, transfer, and other related issues. There are specialist and professional agencies involved in providing expert technical assistance in formulating, implementing and evaluating HR plans.

Frictional process like organisational change and development (OD) are made cogent through concerted human resource planning with HR department at the helm of affairs.

Hence, Human Resource Planning:

- Is essential to optimise human capital utilisation;
- Is scientific in nature;
- Involves tracking supply of personnel to match with estimated demand;
- Has organisation- wide impact. The result is improvement in all spheres of administration;
- Furthers employee motivation. Employees apply themselves to their task and remain innovative and active throughout their work lives. Their activities are constantly monitored and supervised. According to Merle Fainsod improvements in development administration depend on the quality and training of public servants running it and on the social and political environment, which emancipates latent energies. Structural adjustments will not deliver results unless complemented with effectively administered personnel policy, more specifically, a manpower plan since growth is the result of human efforts.

- Human resource planning avoids inter-personal tensions, role-conflicts and overlapping. Job descriptions and specifications are clearly laid down. Job design is innovative and ensures fulfillment at job for workers
- Cost cutting is applied through human resource planning. Adverse features signaling the need for a human resource plan would be “high employee turnover, difficulties attracting competent staff, difficulties in delegating or internal communications, procedural bottlenecks, “problem” departments, and inconsistent productivity”.(Price, 2002)
- It helps management forecast long-term manpower supply and demand. It also helps in formulating *succession plans* and provides lead-time for the identification and development of suitable personnel to move up the organisation ladder. At the level of individual employees, it helps them attain their maximum potential with effective career planning and development policies. From the point of view of management, desired motivation packages for reinforcement of desired organisational behaviour on the part of employees can be administered.
- A crucial factor in improving coverage and quality of services rendered by an organisation is adequate number of personnel with *task-oriented training*. Requirements of training and the resources required are engineered through the manpower plan (WHO Chronicle, 2005).
- Many organisations are either over-staffed or under-staffed as public sector units hardly practice manpower planning. Most investments in development programmes not generate expected results because human capital is not harnessed optimally. Manpower planning helps management avoid manpower shortage/ surplus provision by ensuring advance preparation for future personnel requirements.
- Manpower planning incorporates the idea of performance budgeting in that the emphasis in either case is on specifying objectives in measurable terms, breaking up broad objectives into sub- sections/parts till the minutest classification is reached, allocating resources, establishing/tracing the relationship between inputs/ and outputs, physical and financial targets, monitoring implementation while providing for in-built flexibility/contingencies and finally period revisions. In fact, a manpower plan in its operational aspect is integral to the planning, programming, budgeting (PPBS) process to provide for personnel requirements, present / future to ensure optimal resource allocation and cost effectiveness in implementation.
- Manpower planning helps organisations develop uniformity and consistency in personnel policy, in consonance with socio- economic plan of the country. It is concerned with organising, in a systematic fashion, the goals, objectives, priorities and activities of manpower development. It helps organisations design tools of personnel appraisal and avoid contingencies or ad-hocism in personnel functions.

3.3 SHORTCOMINGS OF MANPOWER PLANNING

Diane Steel (2005) discusses the shortcomings of manpower planning and the emerging area of labour market. It has been stated that:

Manpower planning stresses more on quantification techniques than education requirements, and social study making it less useful to developing countries where idealistic workforce, more than mere numbers is significant

It relies on manpower input- output norms that are never static. Traditional manpower planning is being replaced by a better technique of labor market analysis considered far more relevant to policy planning. Labour market analysts, instead of committing themselves to an uncertain future, try to be more responsive to changing economic conditions. There is more stress on quality. The emphasis is less in defining training needs and more in defining training priorities. Assessing the relative priorities for training investments can lead to a training strategy more conducive to long-term sustained development.

The focus of manpower planning is on the number of people with desired skills. It also addresses the imperative of equity by changing focus to the work force, a much wider concept, which includes those with no skills and the unemployed.

Rather than counting the number of bodies required to fill some projected need, labour market analysts measure the wages in both the public and private sectors. There may be work shortages in the public sector because wages offered for similar positions in the private sector are higher or more flexible. Manpower planning typically uses data only from the formal employment sector of the economy. This is not very relevant in developing countries where the majority of the staff is engaged in agriculture and informal activities. Labor market analysis, on the other hand, is based on household surveys which capture the characteristics of the entire labor force, including the unemployed.

In addition, the analysts rely more on statistical information than speculations of the skills entrepreneurs are going to want, often without asking at what price such skills cease to be wanted. Such effort aids the wider purposes of social engineering. Hence labour market analysis has more spatial coverage and also operates at a more macro level.

Focusing on the educational profile of workers, rather than their occupation results in analyses using education as a classification criterion and leads directly to policies on schools and universities. An occupational taxonomy, as used by manpower planners, is redundant from the point of view of policy although it is useful for other purposes (e.g. male-female dissimilarities in employment).

While manpower planners stress technical efficiency, that is, the best technical way of producing a particular product, labor market analysts stress economic efficiency. In some cases it may be more economically efficient to have more or different individuals to provide a given level of service while from a technical efficiency perspective, fewer individuals are required.

Manpower planning typically recommends increases in the supply of workers with specific vocational or technical qualifications, but general training, which enhances the overall competencies of the trainee, might be more cost-effective and safer in the long run.

3.4 MANPOWER PLANNING IN THE CIVIL SERVICE

There is an imminent need to right size civil services. The World Bank has enjoined on India the need to curb its fiscal deficit. The important thing is, however, planned reduction and unthinking phase out which may actually be inimical to State interests. Fundamental questions such as the number of ministries and internal cohesion and the integration of functions within each ministry have to be looked into. Although limited guidelines exist on the appropriate size and structure of a ministerial administration, it is possible to make some tentative recommendations. (Satish, 2005)

- The number of ministries should be kept low so as to contain administrative costs. Even if political considerations warrant the appointment of new ministers, they should be kept as ministers with a major portfolio within an existing ministry.
- The critical point is to retain the viability and integrity of a ministry by keeping all the closely related activities in the context of a government's priorities within one administrative structure. This enables ministry officials to carry out their responsibilities efficiently and to be held accountable for their performance.
- The administrative reforms must look into the role clarification, core governance issues so that optimum number of functionaries are available for effective service delivery without any spillage or leakage.
- In several departments, there is a need to induct more officers for service delivery rather than for supervision. The location of field staff and the number of employees in many departments are skewed. In many cases, more officers are located in the state or district headquarters, when the need is to have officers at the actual implementation or cutting edge levels. An effective system of panchayats can help in combining the functions of several field departments in a single individual, whose work can be supervised by the higher functionaries of the panchayati raj system (Meenakshi, Sundaram, 2005).
- With the changing role of government, the size and scale of civil service should also change. Efforts must be made to identify surplus staff, set up an effective redeployment plan and devise a liberal system for exit. For the time being, recruitment should be limited only to functional posts while vacancies at the secretariat and clerical levels should not be filled (*ibid*).
- Lateral entry into the civil service, on a contract basis, can also be considered to enhance mobility. There has to be a conscious effort to prune the size of bureaucracy especially at the clerical levels. Reducing the number of general holidays as recommended by the Fifth Pay Commission should help in better utilisation of the existing staff. Officers must be encouraged to join voluntary organisations of repute as well as educational and research institutions during mid-career. Besides reducing the size of the bureaucracy, this will also help in widening the knowledge base of the officers concerned (*ibid*).
- A malaise afflicting civil service has been the instability of tenure, leading to reduced involvement and respect for authority. If an incumbent is not sure how long he will stay in a particular position, he will never be able to pay attention to details or master the situation at his work place. While employees such as teachers, village accountants, ANMs etc., need not be transferred at all, except on promotion, there has to be a minimum tenure prescribed for other field level functionaries like district collectors, superintendents of police, project officers etc. For higher ranks in civil service, like secretaries to government, the posting can be contractual for a fixed period and systems evolved to ensure that they are not removed before their period of contract expires without their consent or explanation. (*ibid*). The Indian civil service in its present form is corrupt and unwieldy and redundant in its orientation and mode of operation. It is through manpower planning that specialist development administrators can be bred in the civil services.

3.5 CONCLUSION

To summarise, Manpower Planning is required to:

- Attract and retain the best employees;
- Increased employee commitment and satisfaction;
- Improve communications, teambuilding, productivity, and integration;
- Lower employee turnover;
- Establish short- and long-term HR policies and organisational structure to match your growth; and
- Maintain competitive, industry-standard compensation & benefits

3.6 KEY CONCEPTS

Human Resource

- : Modern approach to personnel management involves treating people as ‘resource’, which needs to be deployed effectively, in order to gain maximum utility for the enterprise. The analogy offered is economic, in that resource needs to be developed and then productively deployed to exploit other material and physical resources optimally in organisations. The perspective has a positive implication in that the purposes of both the individual and the organisation are served effectively, though the term has been employed with a disparaging connotation.

Human Resource Planning

- : It is the process of continuing supply of internal and external human resource by advance planning to secure lead time in recruitments. Human Resource Planning is both an internal and an external process, since personnel inventory is prepared of available personnel from both internal and external sources and proper placement policy devised accordingly. It is also known as manpower planning.

Planning

- : Planning is an interactive process involving sieving and sifting myriad interests, wherefrom, an alternative is selected, foregoing other possibilities. Planning imparts direction to an organisation and to the economy at large. The major issue in planning is achieving strategic ‘fit’ between policies and resources. In macro terms, planning represents the political economy school of thought, which believes in governmental regulation of the free market.

3.7 REFERENCES AND FURTHER READING

“HR Planning and Development”; Business Development Bank of Canada, read online at, http://www.bdc.ca/cu/no_navigation/generalinfoform.htm

“Staff and Non Staff Costs: The Crisis of Animal Health Services” read online at, http://www.ilri.org/html/trainingmat/policy_x5547e/x5547el;.htm

“Towards Integrated Human Resource Management”, Integrated Decision Systems Consultancy Private Limited, read online at, <http://www.idsc.com>

Brannen, Ted R, 1998, “The Organisation as a Social System,” Paper Presented at the Midwest Regional Members’ Conference of the College, Kansas City, Missouri.

Chadha, Narender K, 2000, *Human Resource Management Issues, Case Studies and Exercise*, Shri Sai Printographers, Delhi.

Desiber, Gary, *Human Resource Management*, Seventh Edition, Prentice Hall, New Delhi.

Doeringer, P. & M. Poire, 1971, *Internal Labour Markets and Manpower Analysis*, MA: Heath, Lexington.

French, Wendell, 1997, *Human Resource Management*, Third Edition, Houghton Mifflin Company, USA.

Ghosh, P, 1993, *Personnel Administration in India*, Sudha Publications, New Delhi.

Goel, S.L. and Shalini Rajneesh, 2002, *Management Techniques, Principles and Practices*, Deep & Deep Publications, New Delhi.

Gupta, R.K, 1988, *Human Resources Accounting*, Anmol Publications.

Lead, Terry L. & Michael D. Crino, 1990, *Personnel / Human Resource Management*, Macmillan, New York.

Mishra, R.K, 1997, “National Civil Service System in India: Comparative Civil Service Systems” read online at, <http://www.indiana.edu/~csrc/mishra5.html>

Satish, M, 2005, “Civil Service Reforms, Knowledge Manager (Human Development)”, read online at, <http://www.civilservantsquovadisfiles/fecol.css>

Saybo, L. R, George Strauss, *Managing Human Resource*.

Steel, Daniel, 1991, *HRO Dissemination Notes*, based on, *What Work Requires Of Schools: A SCANS Report For America*, U.S. Department Of Labor, Washington, D.C., And “*From Manpower Planning To Labor Market Analysis*”, International Labor Review, Vol. 130.

“Steps in Budget and Manpower Planning”, read online at, http://www.ilri.org/html/trainingmat/policy_x5547e/x5547el;.htm

Tripathi, P.C, 2003, *Human Resource Development*, Sultan Chand and Sons, New Delhi.

Tyagi, A.R, 1969, *Civil Services in a Developing Society*, Sterling, Delhi.

Ulrich, Dave, 1994, “Human Resource Planning”, William R. Tracey (Ed), *Human Resource Management and Development Handbook*, Vol II, AMACOM.

Verma, S.P. and S.K. Sharma, 1980, *Managing Personnel Administration: A Comparative Perspective*, IIPA, New Delhi.

WHO Chronicle, 1976.

3.8 ACTIVITIES

1. What is human resource planning? Discuss its role in economising organisational process.
2. Discuss the process of manpower planning; highlight its importance in civil service restructuring.
3. What are the shortcomings of a manpower plan? How can you improve upon it? Give concrete suggestions.