

HUMAN RESOURCE PLANNING (HRP)

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INTRODUCTION

Human Resource Planning (HRP) is the process of forecasting the future human resource requirements of the organization and determining as to how the existing human resource capacity of the organization can be utilized to fulfill these requirements.

It aims to ensure that the right people with the right skills are available at the right time to achieve organizational objectives.

Aligning the workforce with the overall goals and objectives of the organization is the purpose of HRP.

Human resource planning (HRP) is the continuous process of systematic planning to achieve optimum use of an organization's most valuable asset—quality employees.

DEFINITIONS

Dale S. Beach has defined it as “a process of determining and assuring that the organization will have an adequate number of qualified persons available at the proper times, performing jobs which meet the needs of the enterprise and which provide satisfaction for the individuals involved.”

According to K Aswathappa, “HR Planning is the process of forecasting a firm’s future demand for, and supply of, the right type of people in the right number.”

According to E.W. Vetter, human resource planning is “the process by which a management determines how an organization should make from its current manpower position to its desired manpower position.

In the words of **Leon C. Megginson**, human resource planning is “an integration approach to performing the planning aspects of the personnel

function in order to have a sufficient supply of adequately developed and motivated people to perform the duties and tasks required to meet organizational objectives and satisfy the individual's needs and goals of organizational members.”

OBJECTIVES OF HRP

The main objective of having human resource planning is to have an accurate number of employees required, with matching skill requirements to accomplish organizational goals.

In other words, the objectives of human resource planning are to:

1. Ensure adequate supply of manpower as and when required.
2. Ensure proper use of existing human resources in the organization.
3. Forecast future requirements of human resources with different levels of skills.
4. Assess surplus or shortage, if any, of human resources available over a specified period of time.
5. Anticipate the impact of technology on jobs and requirements for human resources.
6. Control the human resources already deployed in the organization.
7. Provide lead time available to select and train the required additional human resource over a specified time period.

NEED OF HRP

1. Despite growing unemployment, there has been shortage of human resources with required skills, qualification and capabilities to carry on works. Hence the need for human resource planning.
2. Large numbers of employees, who retire, die, leave organizations, or become incapacitated because of physical or mental ailments, need to be

replaced by the new employees. Human resource planning ensures smooth supply of workers without interruption.

3. Human resource planning is also essential in the face of marked rise in workforce turnover which is unavoidable and even beneficial. Voluntary quits, discharges, marriages, promotions and seasonal fluctuations in business are the examples of factors leading to workforce turnover in organizations. These cause constant ebb and flow in the work force in many organizations.

4. Technological changes and globalization usher in change in the method of products and distribution of production and services and in management techniques. These changes may also require a change in the skills of employees, as well as change in the number of employees required. It is human resource planning that enables organizations to cope with such changes.

5. Human resource planning is also needed in order to meet the needs of expansion and diversification programmes of an organization.

6. The need for human resource planning is also felt in order to identify areas of surplus personnel or areas in which there is shortage of personnel. Then, in case of surplus personnel, it can be redeployed in other areas of organization. Conversely, in case of shortage of personnel, it can be made good by downsizing the work force.

IMPORTANCE OF HRP

- ✓ Human resource planning meets the organization need for right type of people in right number at right times.
- ✓ 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 labour cost substantially, on the other.
- ✓ 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.
- ✓ Manpower shortfalls and surpluses may be avoided, to a large extent.
- ✓ 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.
- ✓ It also provides multiple gains to the employees by way of promotions, increase in emoluments and other perquisites and fringe benefits.
- ✓ 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.
- ✓ 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.
- ✓ 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.

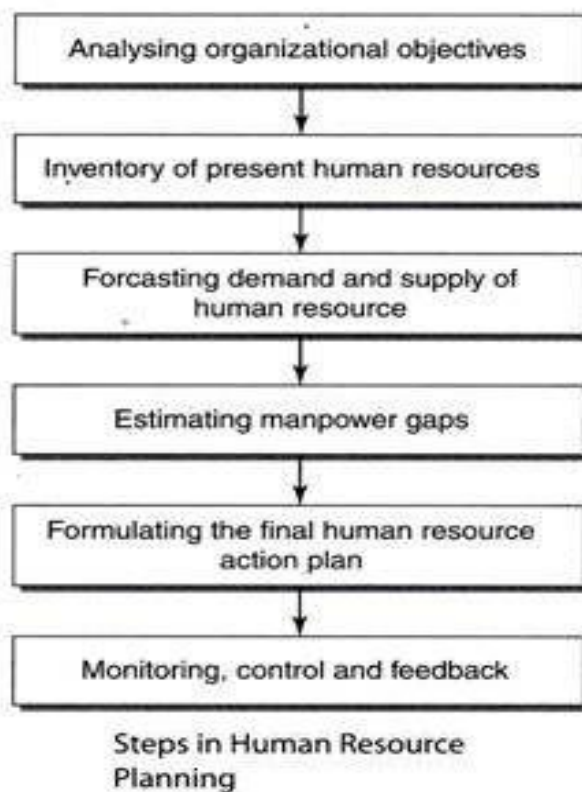
- ✓ Last but no means the least, with increase in skill, knowledge, potentialities, productivity and job satisfaction, organization becomes the main beneficiary. Organization is benefited in terms of increase in prosperity/production, growth, development, profit and, thus, an edge over its competitors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

HRP Process

Human resource planning is a management activity aimed at acquisition, utilization, improvement and preservation of human resources of the organization.

HRP ensures that the organization has right number and right type of people to deliver a particular level of output in the future.

Human Resources Planning are a process of determining future staffing requirements and developing action plans to meet them.



STEPS IN HRP PROCESS

- 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 pro-file 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.

7. 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.

FACTORS AFFECTING HRP

1. Employment

HRP is affected by the employment situation in a country. In countries with greater unemployment, there may be more pressure on the government to appoint more people.

For example, public sector enterprises are highly overstaffed in some countries, while few private enterprises are understaffed.

Similarly, some companies may have a shortage of skilled labor and may have to appoint people from other companies.

2. Technical changes in society

Technology changes quickly, and new people having the required knowledge are required for the company.

In some cases, the company may retain existing employees and teach them new technology; in some cases, the company has to dismiss existing people and appoint fresh ones.

3. Organizational changes

Changes take place within the organization from time to time.

For example, a company may diversify into new products or close down businesses in some areas. In such cases, a company may hire or dismiss people according to the situation.

4. Economic factors

The most immediate concern in human resource planning is how much money is available for salaries, training, and equipment. However, external economics plays an equally critical role.

For example, people do not have much money to spend in an economic recession and tend to be much more selective in what they buy or the services they use.

This means some industries, such as those producing luxury items or non-essential services, sell less and may even have to lay off some staff. This, in turn, makes the local economy even more difficult.

5. Social factors

Social factors may influence the organization's HR planning. There is a clear discrepancy between one social group. It's a good idea to build in ways of opening up new opportunities.

6. Technological factors

New technology brings new skill requirements, so companies must always be aware of proficiencies and training needs when planning human resources.

New products and services also may require recruiting highly skilled employees or training existing employees to meet the need.

7. Legal factors

Employment law is the most significant sector of the legal system that affects human resource planning, and it changes all the time. HR managers must keep themselves up to date and have an employment law specialist available to consult if necessary. Employment law changes must be reflected in company policy.

8. Environmental factors

Environmental factors might include where the business is located, finding appropriate staff, or changes to the environment that mean a need for more or fewer employees.

A simple example of environmental factors affecting human resource planning is the consideration of how the employees get to work safely during extreme weather; the Firm's plan may need to include the possibility of telecommuting to keep everything going.

9. Labor market

The labor market comprises people with skills and abilities that can be tapped when needed. Although in many 3rd countries with surplus labor, there is a shortage of skilled people. We should take measures to make more skilled workers available in the country.

When one talks about labor supply, the following deserve due consideration: the size, age, gender, and educational composition of the population, the demand for goods and services in the country, the nature of production technology, and the employability of the people.

BARRIERS OF HRP

1. Uncertainties: Seasonal employment, labour turnover, absenteeism, technological changes, and market up-downs are uncertainties, which are always there while making human resource planning.

2. Inaccurate Forecasting Methods: Human resource planning involves forecasting the human resource demand and supply. Various forecasting methods are not very much accurate. Hence, such forecasts are also not fully accurate. If the time horizon is very long, there are more chances of inaccuracies. Apart from that, inaccuracy also increases when the forecasts made for various departments or divisions are merely

aggregated without critical review and are taken to be the forecast for the whole organization.

3. Lack of Support from Top Management: In the absence of support and commitment from the top-level management human resource department finds it difficult to obtain information on various vital inputs in human resource planning such as future growth plans, the introduction of new technology, etc., are generally not available. Hence, it is not always possible to develop effective human resource plans.

4. Inadequate Information System: In most of the industries in our country 'Human Resources Information System' has not been fully developed, especially due to the low status given to the personnel department and less importance attached to human resource planning. Moreover, reliable data relating labour market, trends in human resources, places etc. are generally not available. Hence, it is not always possible to develop effective human resource plans.

5. Employee Resistance: Employees and trade unions also resist human resource planning as they think that it increases their workload and regulates them through productivity bargaining. They also believe that human resource planning prepares programmes for securing manpower mostly from outside, generally by ignoring internal manpower supply.

6. Employers' Resistance: Many employers resist human resource planning because they think that it increases the cost of manpower as trade unions demand employees based on the plan, for more facilities, and for benefits including training and development. Moreover, employers feel that human resource planning is redundant or useless because candidates will be available as and when required especially due to the severe unemployment situation in India.

7. Time-Consuming and High Cost: Human Resources Planning is a time-consuming, complex, and highly cost-oriented exercise. Hence it is feared to fail at cost-benefit analysis.

8. Lack of Participation and Coordination among Operating

Managers: In many cases, operating managers look at the whole exercise of human resource planning with doubt and mistrust. They do not willingly participate in it and do not properly coordinate with top management and the human resource department.

9. Imbalance between Quantitative and Qualitative focus: Some firms view human resource planning as a game of numbers designed to ensure the flow of people in and out of the firms, exclusively focus on quantitative aspects such as career planning and development, increase in skill levels through training and retraining, enhancement of morale, and motivation, etc.

THANK YOU

