

# Human Resource Planning



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# Human Resource Planning

“Human resource planning is a process of determining and assuming 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”.

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- HRP is a process by which management determines how an organization move from its current manpower position to its desired manpower position.
- Through it management strives to have the right number & the right kind of people at the right place, at the right time, doing things which result in both the organization & the individual receiving, maximum long range benefit.
- Manpower planning is the strategy for the acquisition, utilization, improvement & preservation of an organizations human resources.

# Features of HRP

- Forward looking (future oriented)
- On going process
- Integral part of corporate planning
- Both quantitative and qualitative aspects
- It can be long term and short term
- Two phase process (equilibrium b/w demand & supply)
- It leads to the optimum utilization of human resources
- Primary responsibility of higher management

# Objectives of HRP

- To ensure optimum use of existing H R
- To forecast future requirements of H R
- To provide control measures to ensure that necessary hr are available as & when required
- To link HRP with organizational planning
- To provide the basis for Management Development Programme
- To meet the needs of expansion & diversification programmes

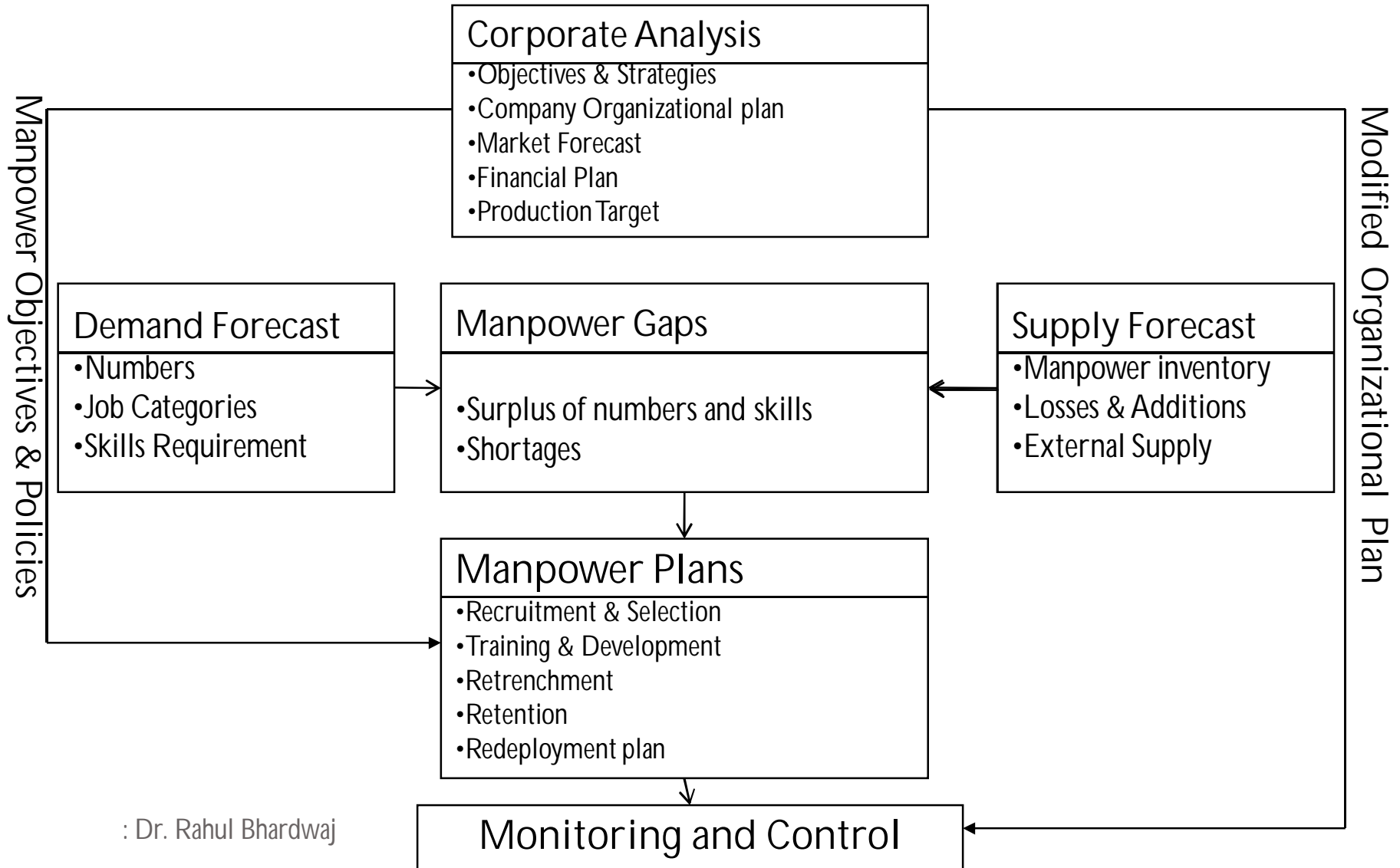
# Need of HRP

- Employment situation
- Technological changes
- Organizational change
- Demographic change
- Shortage of skills
- Legislative controls
- Pressure groups
- Increased mobility

# Importance of HRP

- Helps in employment and deployment
- Useful in anticipating the cost of HR which facilitates the budgeting process
- Helps in planning for physical facilities like Canteen, staff quarters, dispensaries etc.
- Helps in identifying the gap b/w existing and required HR
- Helps to reduce wastage of manpower

# Human Resource planning Process





# HRP Forecasting techniques

## Management Judgment

- This technique is very simple and time-saving. Under this technique, either a “bottom-up’ or a ‘top-down’ approach is employed for forecasting future human resource requirement of an organization. In case of bottom-up approach, line managers prepare departmental requirements for human resource and submit it to the top managers for their review and consideration.
- In the ‘top-down’ approach, the top managers prepare the departmental forecasts which are reviewed with the departmental heads or managers. However, neither of these approaches is accurate.

## Work-Study Method

- This method can be used when it is possible to measure work and set standards and where job methods do not change frequently. In this method as used by Fredrick Winslow Taylor in his 'Scientific Management' time and motion study are used to ascertain standard time for doing a standard work. Based on this, the number of workers required to do standard work is worked out.
- More appropriate for repetitive & manual jobs.

## Ratio-Trend Analysis

- This is one of the quickest forecasting techniques. Under this method, forecasting for future human resource requirements is made on the basis of time series data. In other words, this technique involves studying past ratios (e.g., total output/ number of workers, total sales volume/no of sales person, direct workers/ indirect workers) are calculated on the basis of past data.
- Future ratios are calculated on the basis of time series analysis.
- While calculating future ratios, consideration can be made for expected changes in organization, methods and jobs. The demand for human resources is calculated on the basis.

## Delphi Technique

- It is a more complex and time-consuming technique which does not allow group members to meet face-to-face. Therefore, it does not require the physical presence of the group members.
- The members are asked to provide their estimates of human resource requirements through a series of carefully designed questionnaires.
- Each member anonymously and independently completes the questionnaire.
- Results of the questionnaire are compiled at a central location
- Each member receives the copy of the result.
- After viewing the results, members are again asked to review their estimates. The initial results typically generate new estimates or cause changes in the original position.

## Mathematical Models

- Mathematical models express relationship between independent variables (e.g., production, sales, etc.) and dependent variable (e.g., number of workers required).
- Various factors influencing manpower needs are expressed in the form of a formula. Several types of models, e.g., regression, optimization models, probabilistic models can be used.
- These are complex & appropriate for large organizations.

# Limitations of HRP

- Inaccuracy
- Increases workload
- Uncertainties
- Inefficient information system
- Lack of top management support
- Time and expense
- Unbalanced focus (focuses more on quantity)

# Guidelines for effective HRP

- HR plans should be balanced with the corporate plans of the enterprise
- The period of a hr plan should be appropriate to the needs & circumstances of the specific enterprise.
- A separate cell, section or committee may be constituted within the hr department to provide adequate focus & to coordinate the planning efforts at various levels.
- Before starting the hr planning process, the support & commitment of top management should be ensured.
- HR planning requires active participation & coordinated efforts on the part of operating executives.
- An adequate database should be developed for human resources to facilitate human resource planning
- The quantity & quality of human resources should be stressed in a balanced manner.