

# Chapter3

## Manpower Planning

### Objectives:

- Understand the meaning, need & purpose of Human Resource Planning (HRP)
- Understand benefits, advantages & disadvantages of HRP
- Understand the various steps involved in Manpower Planning
- Understand the intricacies in recruitment & selection of employees
- Understand various aspects of internal & external recruitment
- Understand all aspects of Job like definition, process, description and analysis

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## Manpower Planning

### Structure

- 3.1 Introduction
- 3.2 Meaning
- 3.3 Meaning & definition
- 3.4 The scope of HRM
- 3.5 Need for HRP
- 3.6 Process of HRP
- 3.7 Benefits of HRP
- 3.8 Steps in Manpower Planning
- 3.9 Recruitment
- 3.10 Recruitment Policy
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- 3.12 Internal Recruitment
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- 3.15 Evaluation of external Recruitment
- 3.16 Role of Computer in Manpower Planning
- 3.17 Job Analysis
- 3.18 Summary

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## Manpower Planning

### 3.1 Introduction

“Manpower” or “Human Resources” may be thought of as “ the total knowledge, skills, creative abilities, talents, and aptitudes of an organization workforce, as well as the values, attitudes and benefits of the individual involved. It is the sum total of inherent abilities, acquired knowledge & skills represented by the talents & aptitudes of the employed persons”

Of all the resources, Man is the most important, since it is the only resource that appreciates with usage and time.

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### 3.2 Meaning

- Manpower Planning and Human Resources Planning appear to be almost the same. However, HRP is broader-based.
- Manpower Planning is the “process by which a management determines how an organization should move from the current manpower position to its desired manpower position”
- Through planning, an organization strives to have the right number of the right kind of people at the right places at the right time to do things towards organizational effectiveness.

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### 3.3 Meaning & Definition

- Human Resources Management refers to the set of programs, functions and activities designed and carried out to maximize both employee as well as organizational effectiveness.
- Manpower Planning involves:
  - a) Forecasting future manpower requirements
  - b) Determining existing manpower resources and assessing how optimally they are utilized
  - c) Determining, quantitatively and qualitatively, the future manpower requirements, based on projections of the present
  - d) Planning the necessary programs of recruitment, selection, training, development, utilization, transfer, promotion, motivation and compensation to ensure that the future requirements are adequately met.

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- It must be noted that Manpower Planning cannot be rigid & static. It needs to be flexible with needs and dynamic with time.
- Human Resource Planning is like a double-edged weapon. When used properly, it increases the effectiveness of the organization and of the individual. If misused, HRP leads to disruption and disharmony of work leading to demotivation and loss in productivity.
- HRP facilitates the organization to be productive and effective and the individual to develop his skills and abilities.

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### 3.4 The scope of HRM

The scope of HRM is vast. It could be categorized into seven sections:

1. Introduction to HRM
2. Employee Hiring
3. Employee & Executive remuneration
4. Employee motivation
5. Employee maintenance
6. Human relation
7. Human Resources Management

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### 3.5 Need for Human Resources Planning

HRP is required by an organization for the one or more of the following reasons:

- a) Effective Planning to hire the right person for the right job.
- b) Replacement of personnel who leave the organization due to various reasons.
- c) Frequent labor turnover or attrition results in organizations needing more manpower.
- d) Expansion of the organization leads to requirement of more manpower
- e) Nature of work changing, leading to “outdatedness” of existing personnel, who may be either replaced or trained.
- f) To balance the task force within the organization so that there is a manpower distribution that is proportionate to the needs of the user departments.

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### 3.6 Process of HRP

HRP consists of a crucial set of functions as follows:

- a) Deciding Goals and Objectives
- b) Estimating future organizational structure and manpower requirements
- c) Auditing human resources
- d) Planning job requirements and job descriptions
- e) Developing a human resource plan.

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### 3.7 Benefits of Human Resource Planning

The major benefits of HRP are:

- It checks the corporate plan of the organization.
- It offsets uncertainty and change.
- Facilitates in selecting the right person at the right time for the right job.
- Provides scope for advancement of employees through training & development.

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Advantages & Disadvantages of HRP:

### Advantages

- HRP is a systematic approach towards manpower requirements of an organization.
- HRP defines and demarcates functions which would otherwise be vague and overlapping leading to confusion.
- As a process, HRP brings clarity to steps and procedures that would lead to minimizing ineffectiveness.

### Disadvantages

- HRP cannot be totally depended on, since it deals with manpower on a moving time basis.
- HRP tends to go haywire when changes take place unanticipated. It does not have the provision to address such changes.
- Uncertainty and forecasting inaccuracies are more when it deals with human resources, which is driven by free will and hence unpredictable.

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### 3.8 Steps in Manpower Planning

There are three steps as guidance for Manpower Planning:

1. Manpower Planning needs to integrate with financial planning of the organization. This is done through creating an organizational chart wherein hierarchies are depicted.
2. Auditing the internal human resources in terms of experience, qualifications, positions held and determining whether the available human resources are optimally utilized.
3. Formulating the recruitment plan, which constitutes a time-bound schedule of who needs to be recruited, when, in what position, where, etc.

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### 3.9 Recruitment

- The purpose of Recruitment is to build a pool of applicants.
- It consists of the process of searching for and obtaining application so as to seek the right person for the right job during the selection process.
- Recruitment precedes Selection process
- Recruitment is affected by internal as well as external factors of the organization.

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### 3.10 Recruitment Policy

- Recruitment policy is a part of the Personnel policy of the organization.
- It reflects the philosophy of hiring people related to the needs of the culture of the organization.
- Factors taken into account when framing a Recruitment Policy are: Govt. policies, personnel policies of competitors, industry practices, recruitment needs, selection criteria, etc.

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### 3.11 Objectives of Recruitment

- To attract people with multiple skills & experiences
- To induct outsiders with a fresh new outlook
- To develop an organizational culture that promotes competence.
- To extract the best talent form the competitors to gain leverage over competitors.
- To fill in positions which are yet to be defined, for future positions.

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### 3.12 Internal Recruitment

- Internal Recruitment seeks applications for positions from employees who are already working within the organization.
- It is done through:
  - a) Present employees
  - b) Employee referrals
  - c) Former employees
  - d) Previous applications

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### 3.13 Evaluation of Internal Recruitment

#### Advantages:

- Serves as a means of employee motivation
- Employees are already familiar with the culture and workings of the organization.
- Cost of induction, orientation & selection is minimized.
- Managements gain the trust and goodwill of unions.
- Attrition of good employees are reduced

#### Disadvantages

- May result in lack of fresh new ideas and creativity
- Internal poaching of employees resulting in departmental deficiencies.
- Likelihood of favoritism and prejudices affecting the process.

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### 3.14 External Recruitment

- Sources of External Recruitment: professional/trade associations, advertisements, employment exchange, campus, placement agencies, walk-ins, talk-ins, etc.

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### 3.15 Evaluation of External Recruitment

#### Advantages:

- Experience, expertise, competencies from other organizations can be made available.
- Could be trained into cultural fit and effectiveness without any bias.
- The incumbents could be hired at a cost-effective bargain as compared to internal hiring.

#### Disadvantages:

- Cost of external recruitment is more expensive.
- Retention is not guaranteed.
- It may take time for the new recruit to fit into the culture
- Too many numbers would affect the quality of recruitment and chances of errors of judgment are more.

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### 3.16 Role of Computer in Manpower Planning

- Growth and efficiency of business is possible when businesses are enabled through efficient flow of reliable information.
- Computers are enablers of reliable information and have pervaded all areas of work. Linking of computers through networking & satellite linking is a facility available in today's work cultures.
- In the area of Manpower Planning, traditionally, like in other zones of work, manual systems have been used.
- With growth comes more complexities and there is a need to have accurate information on time.

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- In Manpower Planning, use of computers and linking them is very common in progressive organizations.
- Use of software packages like PIS (Personnel information Systems) or HRIS (Human Resources Information Systems) are very common.
- These packages offer easy to up-to-date facilities of stored information about the manpower in detail.
- Details such as name, employee number, background, qualifications, experience, movement within the organization, skills, competencies, critical incidents, etc are available in a structured format for easy access and ready use and processing.
- Every user department can access information on Manpower for various end purposes.

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### 3.17 Job Analysis

- Jobs are important both to the individual and to the organization.
- There was a time when jobs used to be seen as static, meaning once jobs were specified, flexibility to modify it was not allowed.
- The same job is seen and done differently by various job-holders.
- To understand the job and its dynamics, Job Analysis is resorted to.
- It consists of listing down all the basic processes that constitute the job, studying them and structuring them arrive at Job Specification.

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- Job Terminologies – constitute terms that have specific meaning and context in Manpower Planning  
(refer to relevant page of course material)
- Defining Job Analysis – formal and detailed information of jobs, including the knowledge and skills needed to perform them.

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- Job Analysis Information – the break-up of what the job constitutes of in terms of steps and procedures.
- Uses of Job Analysis Information – for HRP, recruitment, selection, training, counseling, performance appraisal, job evaluation, job design, etc.
- The Process of Job Analysis – organizational analysis, representative sample of positions, collection of analysis data, preparation of job description, preparation of job specification

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- Methods of collecting Job Analysis Data – job performance, personal observation, critical incidents, interviews, questionnaires, etc.
- Job Description is a written statement of what the job holder needs to do. It is simple worded and clear in its form and content. It's main purpose is to differentiate one job from the other and thus creating clarity.

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### 3.18 Summary

- We have covered the basic concepts of HRP, its various dimensions like objective, need, process, benefits, etc.
- Why Manpower Planning has emerged as a vital function in HRM
- We also covered recruitment – policies, internal vs. external forms of recruitment, advantages vs. disadvantages, types, etc.
- The role of computers in HRP was also covered.
- All aspects of Job like analysis, terminologies, methods, uses, Job description, etc were also covered.