

MS-108 (Human Resource Management)

Unit- 3: Human Resource Planning

Compiled By:

Dr. Sumit Prasad

Human Resource Planning (HRP) defined

According to **Wikstrom**, —Human Resource Planning consists of a series of activities, *viz.*,

- (a) Forecasting future manpower requirements, either in terms of mathematical projections of trends in the economic environment and developments in industry, or in terms of judgemental estimates based upon the specific future plans of a company;
- (b) Making an inventory of present manpower resources and assessing the extent to which these resources are employed optimally;
- c) Anticipating manpower problems by projecting present resources into the future and comparing them with the forecast of requirements to determine their adequacy, both quantitatively and qualitatively; and
- (d) Planning the necessary programmes i.e selection, training, development, utilisation, transfer, promotion, motivation and compensation to ensure that future manpower requirements are properly met.

Importance of HRP

- ❑ Assessing Future Personnel Needs
- ❑ Change Management
- ❑ Creating Pool of Competent Employees
- ❑ Protection of Marginalised and Weaker section of society
- ❑ Formulating International Strategies
- ❑ Investment in Human Resources
- ❑ Other Benefits

Factors affecting HRP

- ❑ Types and strategy of Organization
- ❑ Organizational growth cycles and planning
- ❑ Time Horizon
- ❑ Environmental Uncertainties
- ❑ Type and quality of Forecasting Information
- ❑ Off-loading the work
- ❑ Nature of jobs being filled

Types and Strategy of Organization

- Internal growth
- Growth through M&A
- Informal
- Formal
- Reactive
- Proactive
- Inflexible
- Flexible

Organizational Growth Cycles and Planning

Introduction

Growth

Maturity

Decline

Environmental Uncertainties

Internal

External

Types of HRP

- a. On the basis of Time Span
 - a. Short Term HRP
 - b. Long Term HRP
- b. On the basis of Nature
 - a. Hard HRP
 - b. Soft HRP

Benefits of HRP

- ❑ Cost Reduction
- ❑ Optimal utilization of human resources
- ❑ Identification of Man-power gap
- ❑ Facilitation of selection and training of employees
- ❑ Succession planning
- ❑ Overall business planning

HRP Process

- ❑ Organizational Objectives and Policies
- ❑ HR Demand Forecast
- ❑ HR Supply Forecast
- ❑ HR Plan Implementation
- ❑ Control and Evaluation

HR Forecasting Techniques

- ❑ Trend Analysis
- ❑ Ratio Analysis
- ❑ Delphi Technique
- ❑ Normal Group Technique
- ❑ Managerial
- ❑ Work Study
- ❑ Simulation Model
- ❑ HR Allocation Model
- ❑ Zero base Forecasting

HR Supply Forecast

- Supply Analysis
- Existing human resources
- Internal Supply and techniques
- Replacement Charts
- Markov Analysis
- HRIS
- External Supply

HRP Effective

- Adequate information system
- Participation
- Proper organization
- HRP balanced with corporate planning
- Appropriate time horizon

Barriers to HRP

- ❑ People may sometimes question the relevance of making HR practices future oriented and also role assigned to various HR practitioners in the direction of formulation of organizational strategies.
- ❑ HR practitioners are considered as expert in handling personnel matters only, and their calibre to manage business is often doubted.
- ❑ HR information often is incompatible with the information used in strategy formulation.
- ❑ Conflicts may exist when it comes to chose between short term and long term HR needs.
- ❑ Conflicts between quantitative and qualitative approaches to HRP.
- ❑ Non-involvement and lack of support of operating managers renders HRP ineffective.

Reference

SILM developed by Uttarakhand Open University for MS-108 (Human Resource Management), Year 2020, ISBN: 978-93-85740-14-5.

Thank You!